

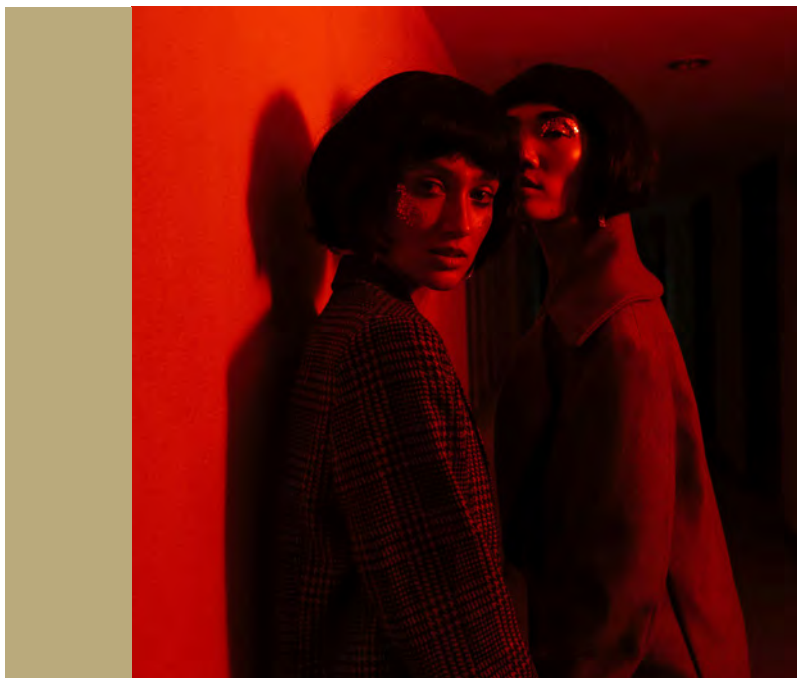


CHINA

LUXURY CONSUMER
FORECAST

2025

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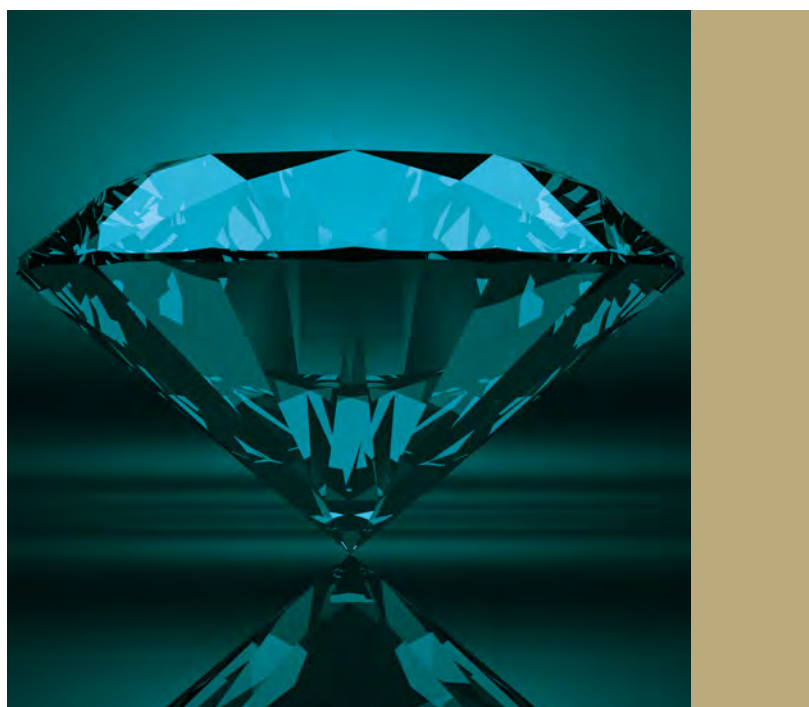
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Executive Summary

Mainland China remains one of the largest luxury markets in the world. The luxury market in China is expected to grow at mid-single-digit in 2024, following a 12% year-on-year growth in 2023¹.

Recent financial reports from major luxury conglomerates present a complex picture of the market. At the time of writing this report, major luxury conglomerates have released their financial performance in Q3 2024. These figures present a rather complex picture of the Chinese luxury market: LVMH saw a decline (-16%) in revenue in Asia (excluding Japan) in Q3 2024 compared to the same period last year², and similar patterns emerged with Kering (-30%)³ and Richemont (-18%)⁴, while premium luxury houses like Hermès and Prada Group demonstrated resilience (+1%⁵ and +12%⁶ respectively).

These regional sales figures, however, tell only part of the story, as approximately 40% of Chinese luxury consumption occurs outside mainland China⁷, while LVMH has reported that “around 45% of the [Chinese luxury] business takes place outside China”².

This apparent contradiction raises important questions about the true state of Chinese luxury consumption. Are we witnessing a fundamental shift in consumer behaviour, or a temporary market adjustment? Industry leaders maintain that the current situation reflects a cyclical downturn rather than a structural change, with the emergence of China’s upper-middle class remaining a powerful long-term driver of luxury consumption.

In this China Luxury Consumer Forecast Report, compiled by MDRI, we provide detailed insights into the latest trends among luxury consumers from Mainland China and Hong Kong. Through an online survey conducted in April and May 2024, we engaged with 1,500 luxury consumers from Mainland China

and 500 from Hong Kong—all of whom had spent a minimum of 50,000 in their local currencies (RMB or HKD) on luxury items within the past year.

Our research reveals several key trends:

- Luxury consumers in Mainland China are still keen to spend on luxury items, while their counterparts in Hong Kong are more polarised in their luxury spending sentiment.
- Luxury consumers are demonstrating an increasing appetite for luxury experiences and lifestyle, in addition to the traditional acquisition of tangible luxury goods like watches and jewellery.
- There is a growing preference for domestic luxury brands, with significant interest in Chinese luxury watches.
- Sustainability has become a key priority, with 85% of Chinese luxury consumers believing it is an important consideration.
- Innovative features and technology continue to be highly valued, with 90% of Chinese luxury consumers willing to pay for such offerings, and 80% of Mainland Chinese luxury consumers agree that AI can provide them with desirable personalisation.
- Hong Kong’s position as a luxury shopping destination is evolving, with varying appeal across luxury consumers from different city tiers in Mainland China.
- Generational differences are also evident, with Millennials (aged 26-35) seeking unique and unforgettable experiences, while Gen Z (aged 21-25) focuses on wellness and self-improvement.

Insights in this China Luxury Consumer Forecast 2025 Report reveal a market in transition, where Chinese consumers demonstrate sophisticated preferences across experiences, domestic brands, sustainability, and innovation. We hope that this report can help stakeholders navigate this evolving landscape and better serve increasingly discerning luxury consumers in Mainland China and Hong Kong.

Simon Tye
CEO of MDRI





Luxury Spending and Sentiment | The luxury market in Mainland China and Hong Kong has witnessed a resurgence in spending following the lifting of COVID-19 prevention measures. Despite the volatility of the global, regional and local markets, both regions experienced a notable increase in luxury consumption, particularly in the categories of big-ticket luxury items (i.e., watches, jewellery and handbags) and luxury experiences.

Looking ahead, Mainland Chinese luxury consumers are optimistic about their luxury spending, driven by their positive outlook for the future and their high confidence in the Chinese economy. The enthusiasm is particularly evident in the demand for luxury watches, handbags, jewellery, and experiences, i.e., luxury travel and fine-dining. Conversely, luxury consumers in Hong Kong, considering factors such as economic uncertainties, are adopting a more conservative approach in their luxury expenditures, opting for caution in the short-term.

01.



SECTION I Luxury Spending and Sentiment

Luxury Spending in the Past Year

Aligning the financial results of major luxury groups, i.e., LVMH, Kering and Richemont, our primary data suggests a notable increase in luxury spending in both Mainland Chinese and Hong Kong luxury consumers in the past 12 months. This increase in luxury spending (which is particularly conspicuous among big-ticket luxury items, such as watches, jewellery, and handbags), has reflected the desire for luxury consumption in the past year. Meanwhile, a growing expenditure for luxury experiences, most prominently in the travel category, suggested a shift in their preferences towards experiential luxury.





LUXURY SPENDING IN THE PAST YEAR

In the past 12 months, Mainland Chinese luxury consumers demonstrated their strong purchasing power by spending an average of RMB 234,500 (USD 32,330) on luxury items, a notable +7% increase compared to the same period in the previous year (**Figure 1**). Likewise, there was a slight upward trend in the spending of luxury consumers in Hong Kong, with an average expenditure of HKD 223,900 (USD 28,700), a +3% increase from the previous year (**Ibid.**).

Upon examination of luxury consumers spending habits in Chinese cities of different tiers⁸, an interesting shift in spending patterns becomes evident. Luxury spending of consumers from Tier 2 cities, (RMB 253,800 or USD 35,000, a substantial +22% rise compared to the previous year) surpassed that from their Tier 1 counterparts (RMB 250,200 or USD 34,500, a slight decline of 4% in spending) (**Ibid.**). Luxury spending of consumers from Tier 3 cities increased moderately by +9%, reaching RMB 193,700 (USD 26,700) (**Ibid.**).

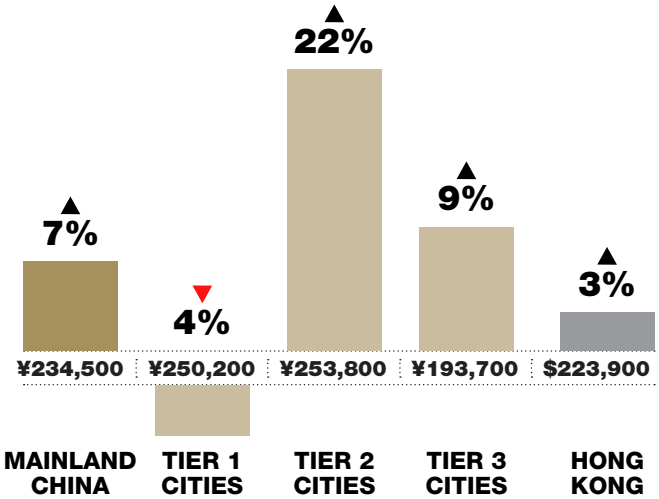
Analysing the spending patterns among luxury consumers across various categories reveals noteworthy trends. There were significant increases in spending on big-ticket luxury items in the past year, such

as luxury watches (Mainland China +15%; Hong Kong +31%), handbags (Mainland China +40%; Hong Kong +66%), and jewellery (Mainland China +47%; Hong Kong +64%) (**Figure 2**). Luxury experiences also captured a significant portion of luxury consumers' budgets, with notable increases in spending on travel (Mainland China +33%; Hong Kong +19%) and fine dining, particularly in Hong Kong (Mainland China +2%; Hong Kong +16%) (**Ibid.**).

The rise in Mainland China's luxury spending in the past year from our data is echoed in the strong actual financial performance of luxury houses, particularly in 2023. At LVMH, the world's largest luxury group, organic revenue from Asia (excluding Japan), which accounted for 31% of the group's annual revenue (+1ppt from last year) grew 18% year-on-year in 2023⁹. Richemont's sales in the Asia Pacific region (excluding Japan) reached €7,937 million, a 1% increase compared to 2022¹⁰; and Kering's sales in the Asia Pacific region (excluding Japan) reached €6,848 million, a 10% increase from the previous year, in spite of the group's report of 4% decrease in revenue overall in 2023¹¹. These figures, corroborating our findings, showed a heightened level of spending in Asia.

FIGURE 1
Year-Over-Year Percentage Growth in Luxury Spending Over the Last 12 Months

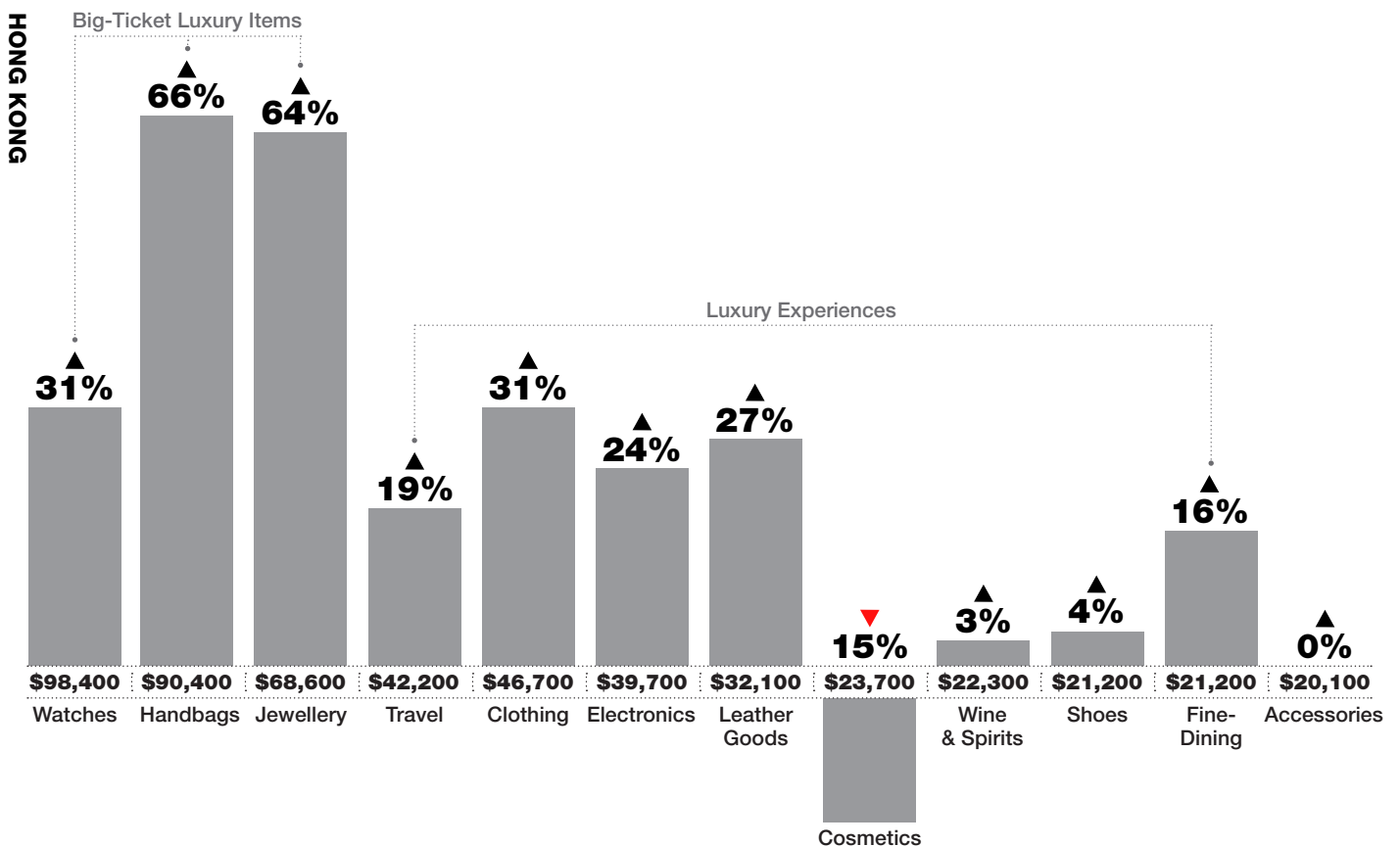
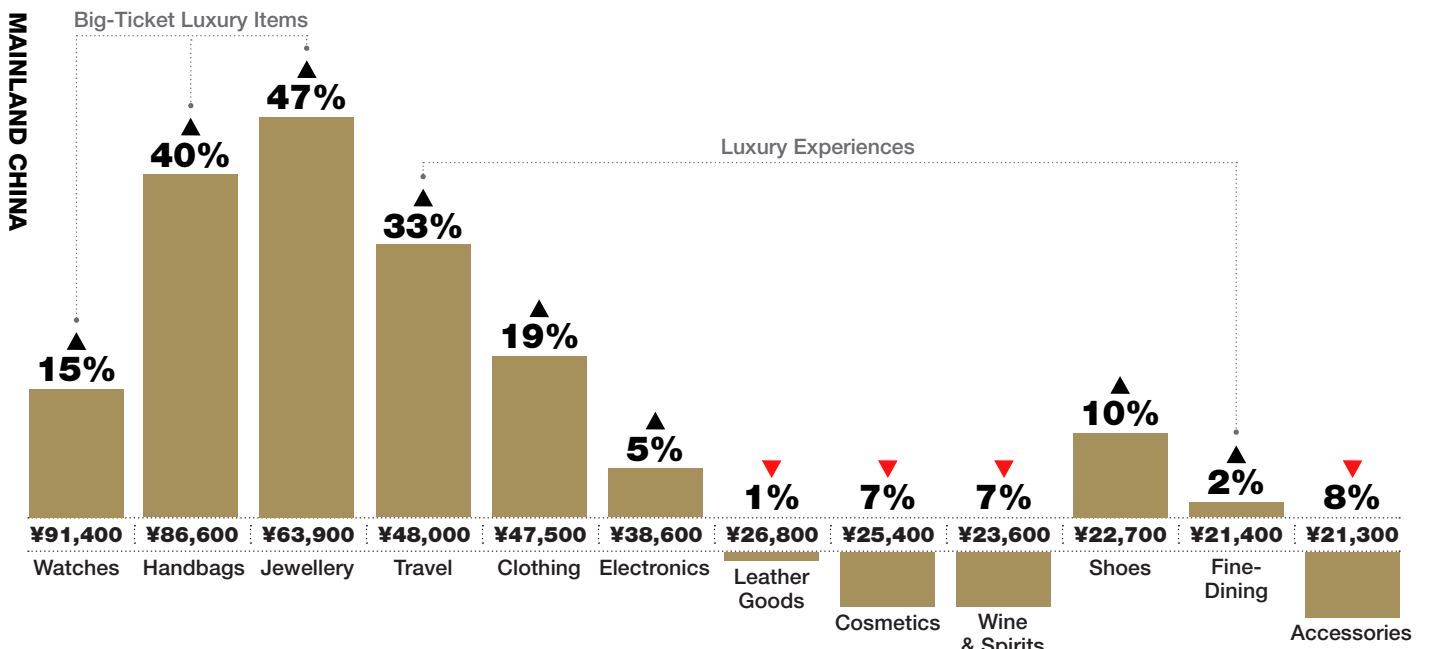
Mainland China
Hong Kong



8. See Methodology (P. 94) for definition of city tiers in Mainland China; 9. LVMH Group: 2023 Annual Report; 10. Richemont: Financial Review 2023; 11. Kering: 2023 Financial Document

FIGURE 2
Year-Over-Year Percentage Growth in Luxury Spending

Mainland China Hong Kong



02.



SECTION I
Luxury Spending and Sentiment

Luxury Spending Forecast

In Mainland China, more than half of luxury consumers plan to increase spending, fuelled by economic confidence, while Hong Kong shows a divided sentiment due to economic concerns. Luxury jewellery, handbags, and travel are among the main items on which Mainland Chinese consumers plan to spend more. When dissecting Mainland Chinese luxury consumers into different age groups, a trend emerges wherein younger consumers prioritise wellbeing while millennials seek indulgent experiences.



MAINLAND CHINA

HONG KONG

LUXURY CONSUMERS' CONSUMPTION APPETITE

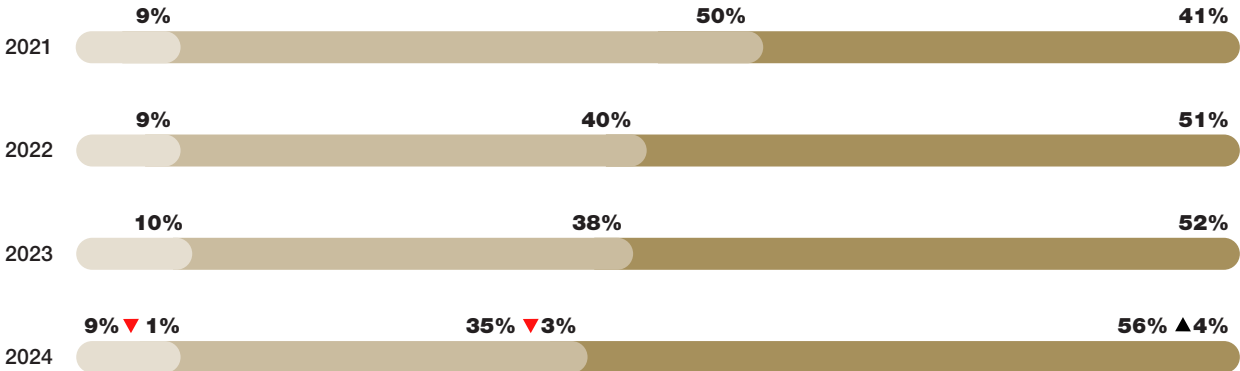
Looking ahead, when asked of their luxury spending intentions for the next 12 months, 56% of luxury consumers in Mainland China expressed their intention to spend more on luxury, up 4ppt compared to data of the previous year and the highest level since 2021 (Figure 3). Conversely, 9% stated that they would reduce their luxury spending—a consistent level maintained over the past four years (Ibid.).

The positive sentiment is not evident in Hong Kong, where a significant polarisation can be observed in luxury consumers' spending attitudes, a reflection

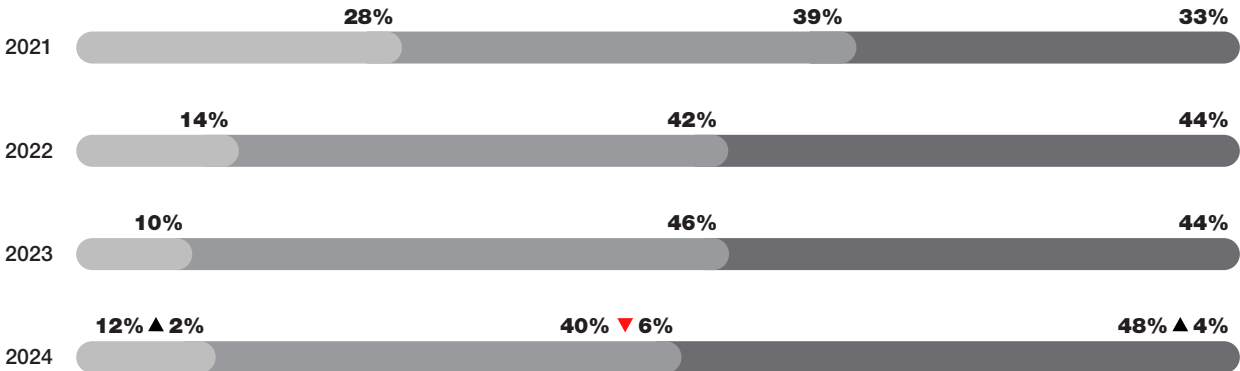
FIGURE 3
Luxury Spending Sentiment in the Next 12 Months

Mainland China	Spend Less	Spend the Same	Spend More	
Hong Kong	Spend Less	Spend the Same	Spend More	▲ ▼ YoY Change

MAINLAND CHINA



HONG KONG



of the uncertainty of the volatile macro-economic environment. The desire to spend more increased by +4ppt to 48%, while the desire to spend less has increased by +2ppt to 12% (*Ibid.*). The polarised sentiment among Hong Kong residents primarily stems from their pessimistic outlook on the local economy. According to MDRI's 2024 Economic and Spending Sentiment report¹², around half of Hong Kong's affluent populace (47%) hold a pessimistic view on the region's economy in the coming year, citing factors such as the sluggish post-COVID-19 reopening, impacts

of international monetary policies, and geopolitical tensions.

The inclination of Mainland Chinese luxury consumers to spend more is driven by their confidence in the Chinese economy. A significant 53% of them expressed high confidence in the growth of the Chinese economy, in contrast to only 26% of their Hong Kong counterparts (**Figure 4**). Moreover, Mainland Chinese luxury consumers exhibit a positive sentiment towards the future, with 87% expressing optimism, compared to only 64% of their Hong Kong counterparts (**Figure 5**).

FIGURE 4
Confidence in the Chinese Economy

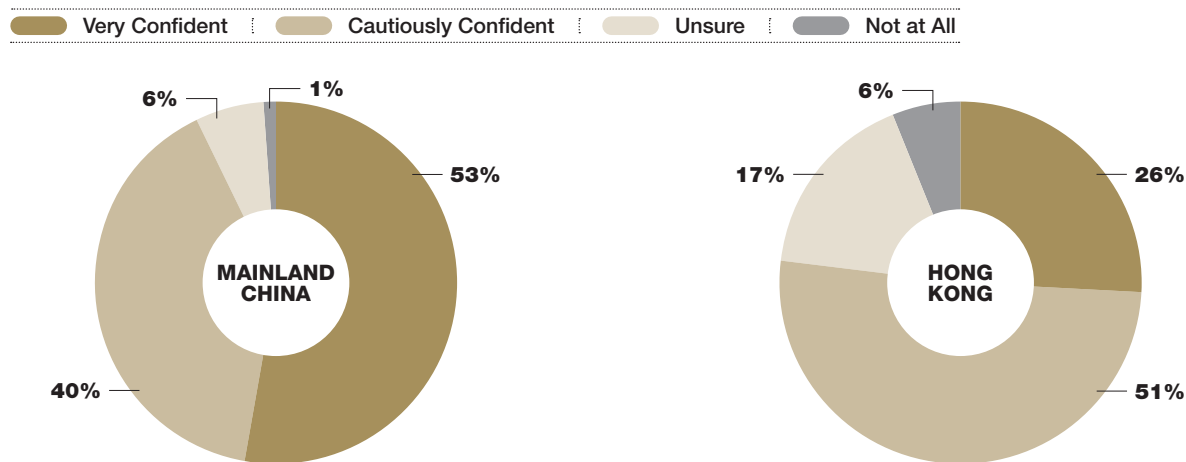
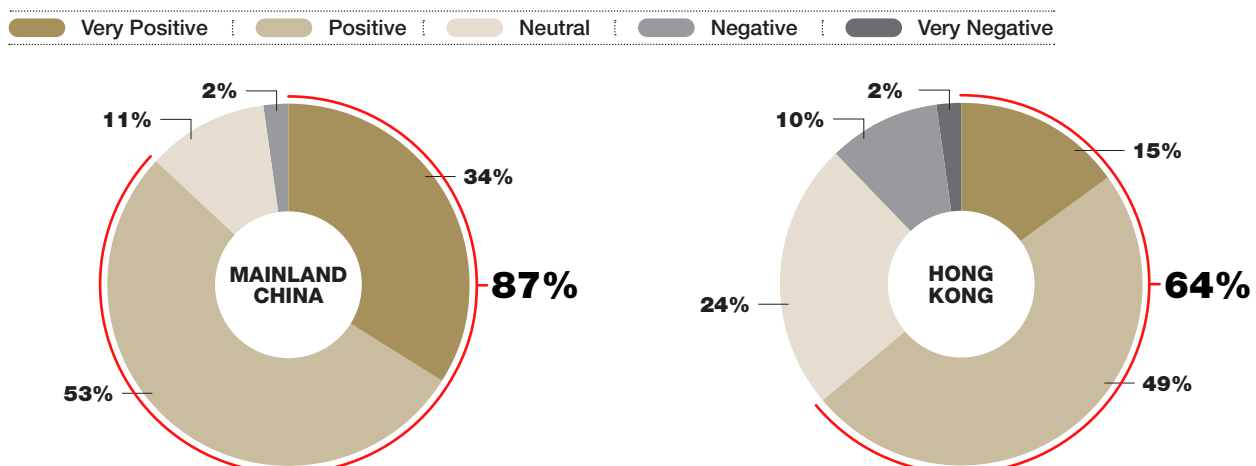
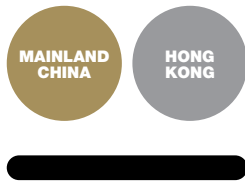


FIGURE 5
Sentiment Towards the Future





DIVING DEEPER INTO CATEGORIES

The desire for certain categories of luxury goods will continue to remain strong, particularly when it comes to jewellery and handbags. Remarkably, 46% of consumers express their intention to spend more on jewellery (+3ppt) while 45% of consumers show a strong inclination to invest more in handbags (+13ppt) (**Figure 6**). These figures indicate a sustained passion for high-end accessories among Chinese consumers. The allure of luxury travel will also continue to captivate Mainland Chinese consumers, with almost 60% of them eagerly planning to enhance their travel experiences by allocating more of their budget to luxury travel (+7ppt) (**Ibid.**).

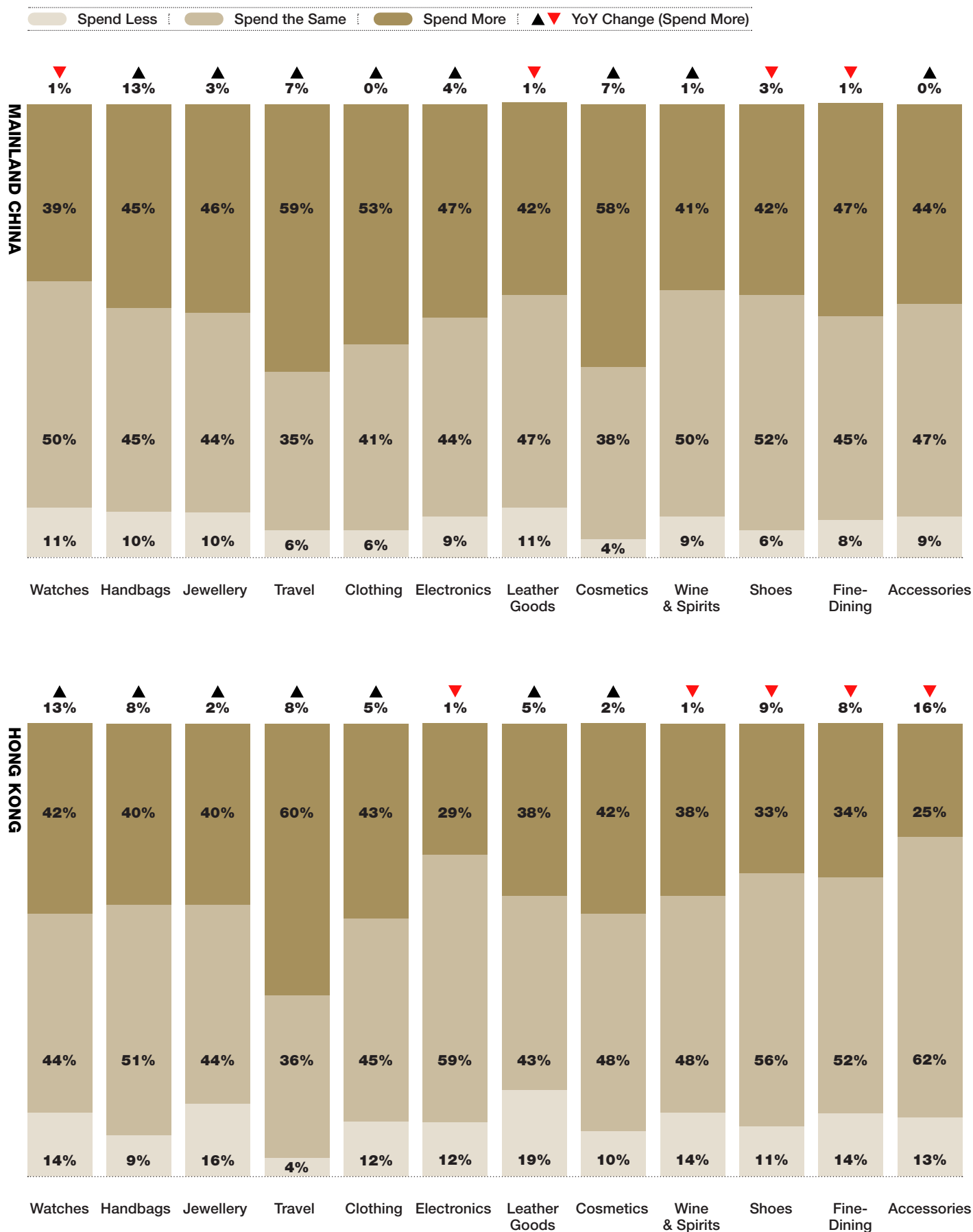
In the next section: “5 Emerging Trends of the Chinese Luxury Consumer—Luxury Lifestyle and Experiences”, we will take a deeper dive into what luxury lifestyle means for these consumers—what propels them to spend more on luxury lifestyle

experiences and in which categories. We will also delve into the shifting preferences in the way that they travel, and most importantly the difference between the younger generation of luxury consumers (aged 21-25), who prefer lifestyle elements that enhance their wellbeing in the long run, and millennials (aged 26-35), who prefer unique and memorable moments and indulging themselves.

In contrast, the sentiment in Hong Kong’s luxury market is less rosy. More than 10% of luxury consumers of each category in Hong Kong express their intention to reduce spending, signalling a cautious approach to luxury purchases, with the exceptions only in handbags (only 9% of consumers plan to spend less on this category) and travel experiences (only 4% of Hong Kong luxury consumers intend to decrease spending in this category) (**Ibid.**).



FIGURE 6
Luxury Spending Sentiment in the Next 12 Months





MILLENNIALS VS GEN Z: DIFFERENCES IN LUXURY ENGAGEMENT

When examining the reasons behind increased luxury spending, a distinct difference emerges among different age groups in Mainland China. For Gen Z consumers aged 21-25, luxury spending is primarily driven by their desire to 'embody a luxurious and aspirational lifestyle' (**Figure 7**). This lifestyle-centric approach to luxury consumption has fostered unique behaviour among these consumers. As detailed in later sections of the report, they prioritise self-care to enhance their wellbeing, seek holistic and exceptional customer service during in-store shopping, and show a growing interest in purchasing second-hand luxury goods.

Unlike the younger generation's focus on wellness and self-care, millennials aged 26-35 spend on luxury because they want to 'indulge in luxury purchases as their disposable income increases'. Their inclination towards spending on luxury items and experiences is intertwined with a desire to treat themselves to unique and unforgettable moments that go beyond the ordinary. By seeking out memorable elements and unique experiences through luxury consumption, they aim to create a sense of reward for their hard work and dedication, allowing themselves to luxuriate in experiences that elevate their everyday lives (**Ibid.**).

The disparity between these two segments will become apparent throughout the entire report as we delve into the analysis of the five emerging trends. We will uncover how the contrasting motivations of the younger generation (who prefer experiential wellbeing) and millennials (who seek indulgent rewards) shape their approaches to their luxury consumption.

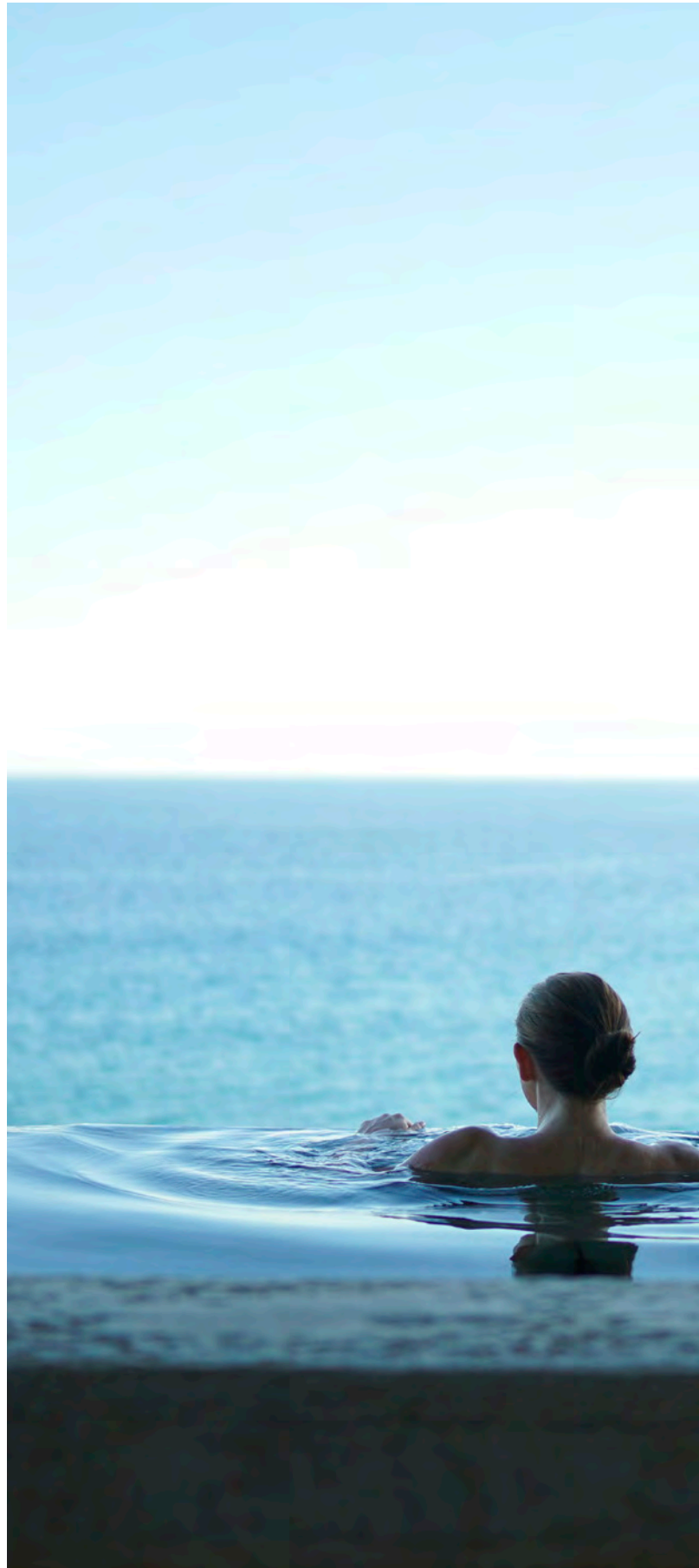
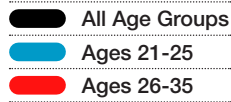
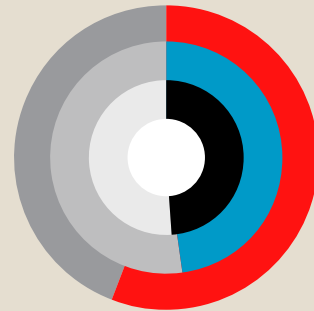




FIGURE 7
Reasons for Increased
Luxury Spending

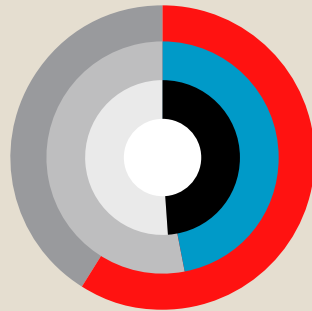


To embody a luxurious and aspirational lifestyle.



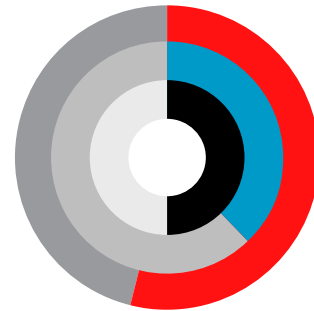
● 49% ● 48% ● 56%

I want to indulge in luxury purchases as my disposable income increases.



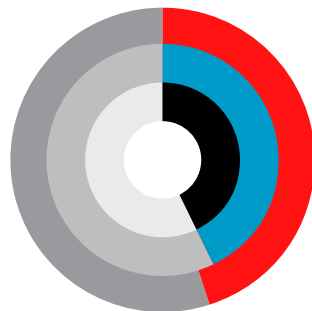
● 49% ● 47% ● 59%

I want to spend on well-known brands that offer exclusive luxury products.



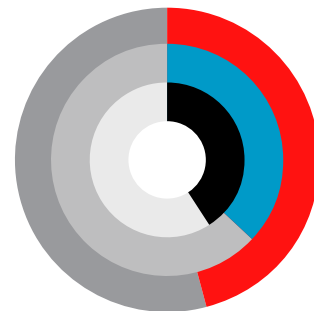
● 50% ● 38% ● 54%

I have an optimistic outlook of the economy.



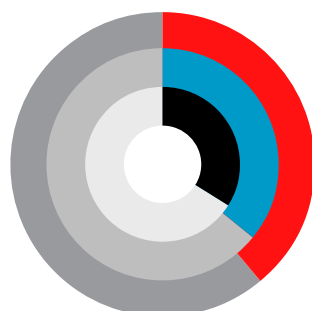
● 43% ● 43% ● 45%

I get pleasure and satisfaction from owning luxury products.



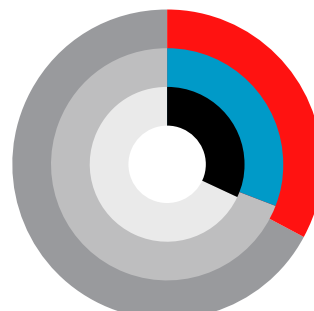
● 41% ● 37% ● 46%

To enhance my social status and prestige.



● 34% ● 36% ● 39%

I see investment potential in luxury products.



● 32% ● 31% ● 33%

MDRI'S THOUGHTS

UNTAPPING THE POTENTIAL OF THE LUXURY MARKET



The rising disposable incomes and growing consumer classes in Tier 2 and Tier 3 cities offer a robust opportunity. A simulation by the McKinsey Global Institute has forecasted that the number of upper-middle and high-income households may increase from 148 million in 2022 to 200 million by 2025 and 260 by 2030, while the number of high-income cities, at 55 in 2020, is projected to hit 82 by 2025 and 93 by 2030, reflecting the potential of these growing markets¹³. Luxury brands should obtain deep understanding of the unique preferences, behaviour, and aspirations of consumers in these cities that are conducive to crafting highly targeted and resonant marketing strategies.

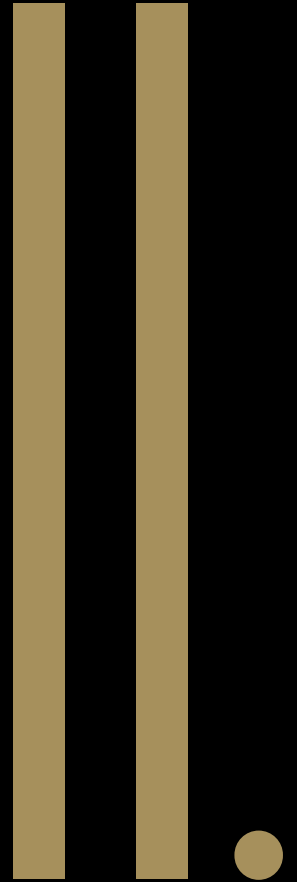
The strong consumer demand for luxury watches, handbags, jewellery, and travel experiences positions these categories as key growth drivers for the industry. To stay ahead of the curve, brands should leverage robust, data-driven consumer insights to understand Chinese consumers' evolving preferences, emerging trends, and shifting consumer behaviour. Brands that make consumer insights the foundation of their product development and go-to-market plans will be best positioned to solidify their leadership in these high-potential luxury segments; and agile brands that continuously monitor and respond to changing consumer demands will be the ones to dominate these in-demand categories.

Consumer sentiment in Hong Kong, compared to that in Mainland China, is less positive. Brands need to navigate these diverging market dynamics through tailored strategies and localised approaches. The contrasting consumer sentiment and spending patterns in these two markets necessitate distinct brand positioning, product assortments, and marketing campaigns. Brands must closely monitor the evolving regulatory landscape, geopolitical tensions, and consumer preferences in each market to navigate the complexities. Maintaining operational flexibility and the ability to quickly adapt to changing market conditions will be crucial for success.





SECTION



5 Emerging Trends of the Chinese Luxury Consumer | In this section, we will explore five emerging consumer trends identified through our survey. We will begin by delving deeper into the preferences of Mainland Chinese luxury consumers for luxury lifestyle and experiences, including the elements that constitute these, as well as the differences among various age groups. We will then take a closer look at shopping destinations and more specifically, how Sanya is rapidly becoming the preferred luxury shopping hotspot. We will also discuss the future of Hong Kong as a luxury shopping hub. Shifting our focus to luxury products, we will further explore consumers' preferences for domestic brands and the incorporation of Chinese elements in their luxury consumption. The final two parts of our analysis will explore the intersection of sustainability and second-hand luxury as an extension, and the role of technology and Artificial Intelligence in the luxury industry.

01.



SECTION II
5 Emerging Trends of the Chinese
Luxury Consumer

Luxury Lifestyle and Experiences

Mainland Chinese luxury consumers are shifting towards prioritising luxury lifestyle and experiences, such as wellness, travel, and comfortable fashion, driven by a desire for wellbeing and memorable moments. While they still value luxury products for their craftsmanship and prestige, there's a notable increase in spending on experiences. Younger consumers focus on self-care and wellness, whereas millennials seek exclusive and adventurous experiences, showing a strong interest in luxury travel and accommodations. This trend signifies a balanced approach to luxury and the need for well-thought-out strategies to target different consumer segments.





REDEFINING LUXURY: MAINLAND CHINESE CONSUMERS' EVOLVING PREFERENCES

A SHIFT TOWARDS LUXURY LIFESTYLE AND EXPERIENCES

We have identified a notable trend among Mainland Chinese luxury consumers: a strong inclination towards luxury lifestyle and experiences. 57% of luxury consumers in Mainland China have expressed their intention to increase their spending on luxury lifestyle and experiences in the coming year (**Figure 1**). This growing interest is driven by a desire to enhance overall wellbeing (**Figure 2**). Among these luxury consumers, beyond health and fitness activities (68%), more than 60% are particularly interested in allocating their resources towards travel and vacation experiences (63%) and wellness and spa treatments (60%) (**Figure 3**). These choices reflect their aspiration to maintain a balanced and fulfilling lifestyle, where physical wellness, exploration and relaxation play integral roles.

Supporting these consumer preferences, studies of the market have highlighted the significant growth potential of the luxury lifestyle and experiences market in China. A study conducted by HKEX (Stock Exchange of Hong Kong) on the Chinese fitness market revealed that the fitness population in China has reached 374.0 million in 2022 and is projected to grow to 463.5 million by 2027, representing CAGR of 4.4% from 2022 to 2027¹⁴. Another study on China's healthcare market, also conducted by HKEX, indicated that the market size of the health industry, having reached RMB 10.1 trillion (USD 1.4 trillion) in 2022, is projected to increase to RMB 20.0 trillion (USD 2.76 trillion) by 2030¹⁵, a CAGR of 9.0% from 2022 to 2030. These findings underscore not only Mainland Chinese consumers' desire to pursue fitness and health and wellness, but also the significant growth potential in the luxury lifestyle and experiences market.

FIGURE 1
Intended Luxury Lifestyle and Experience Spending in the Next 12 Months

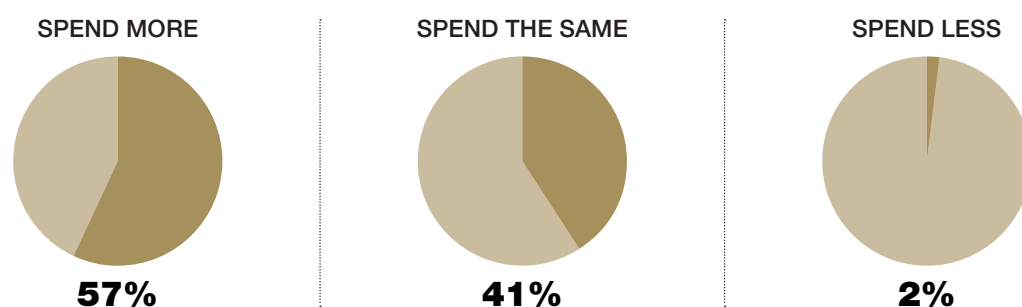


FIGURE 2

Reasons to Spend More on in Luxury Lifestyle and Experiences

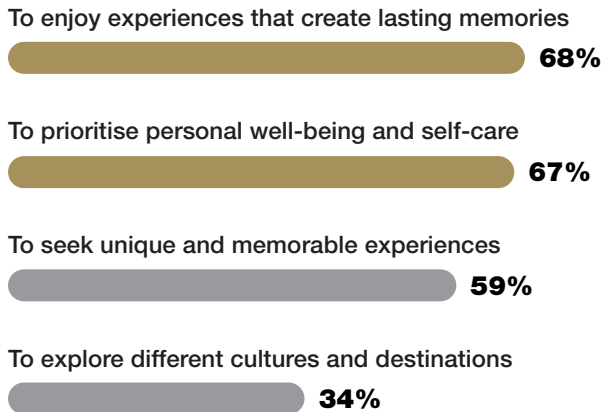
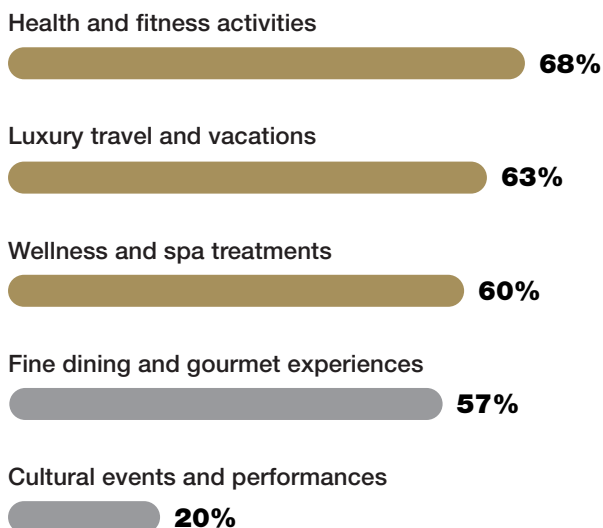


FIGURE 3

Categories to Spend More on in Luxury Lifestyle and Experiences



ENDURING APPRECIATION FOR LUXURY PRODUCTS

While interest in luxury lifestyle and experiences is on the rise, luxury products continue to hold a special place in the hearts of Mainland Chinese luxury consumers. An overwhelming majority, 85%, still prioritise the acquisition of luxury products that showcase exceptional craftsmanship, exquisite materials, and timeless design (Figure 4). They recognise the unique value that luxury products bring, as they serve as tangible symbols of status, refinement, and discerning taste. They also agree (82%) that luxury products offer a sense of exclusivity and prestige that cannot be replicated by experiences alone, providing a lasting sense of luxury and indulgence (Ibid.).

Also, the data points to the notion that Mainland Chinese luxury consumers exhibit a strong proclivity for spending on luxury lifestyle and experiences, without necessarily viewing this as a trade-off to owning tangible luxury products. Luxury brands should carefully consider, therefore, how to strategically align their luxury product offerings with complementary luxury experiences to most effectively cater to the preferences of this consumer segment and adopt a holistic approach that addresses both product and experiential dimensions of luxury.

FIGURE 4

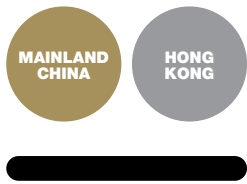
Top 2 Statements About Luxury Products and Experiences (Strongly Agree/Agree)

85%

I prioritise acquiring luxury products that showcase exceptional craftsmanship, materials, and design.

82%

I believe that luxury products offer a tangible and lasting sense of luxury and indulgence that cannot be replicated by experiences.



CHANGING TRAVEL PREFERENCES OF CHINESE LUXURY CONSUMERS

DOMESTIC TRAVEL STILL DOMINATES

Chinese luxury consumers have a strong inclination towards domestic travel, while their enthusiasm for international travel remains relatively restrained.

Our data suggests that these consumers plan to make an average of 3.2 domestic trips to other cities in Mainland China, 2.0 trips to destinations such as Hong Kong, Macau, or Taiwan, and 1.7 international trips to other countries within the next 12 months (Figure 5). Comparatively, their counterparts in Hong Kong express a slightly higher interest in international travel, with plans for 2.2 trips to Mainland China and 2.0 international trips in the same timeframe (Ibid.).

FIGURE 5
Average Number of Trips Planned in the Next 12 Months

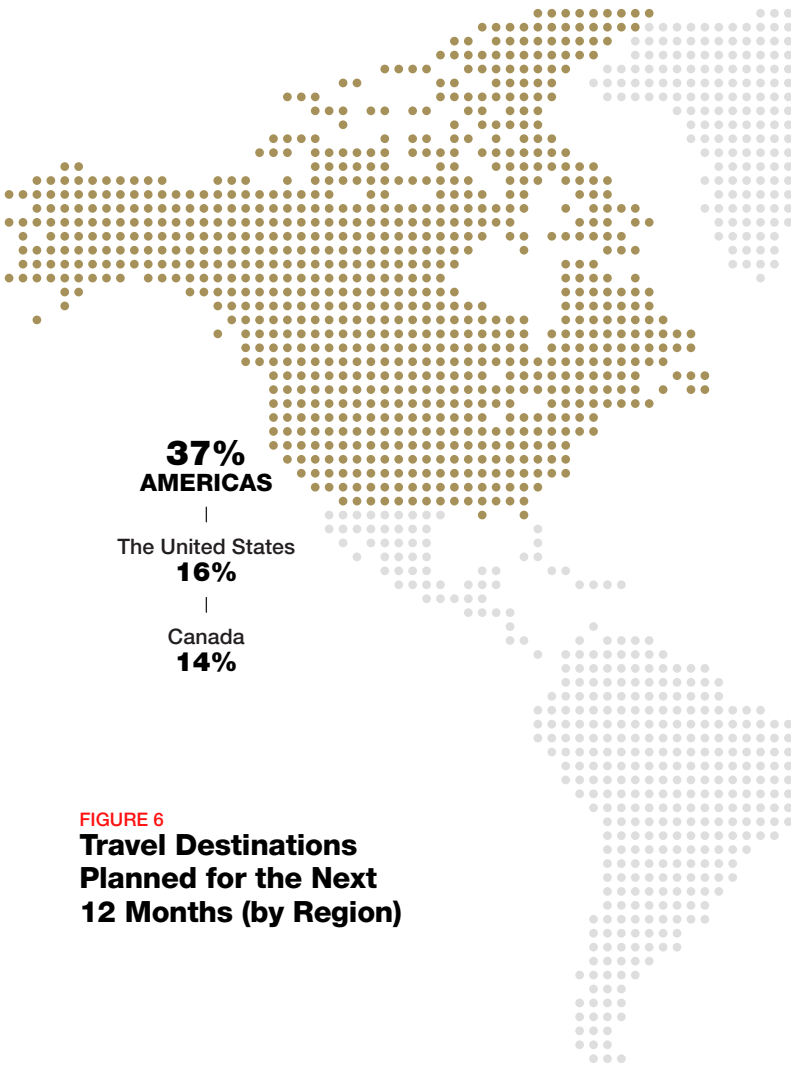
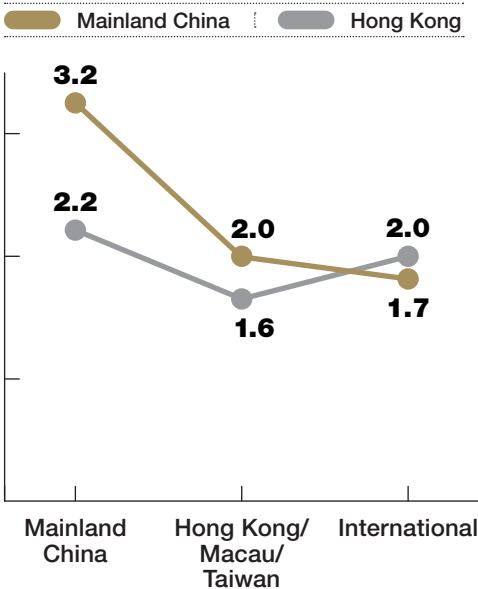
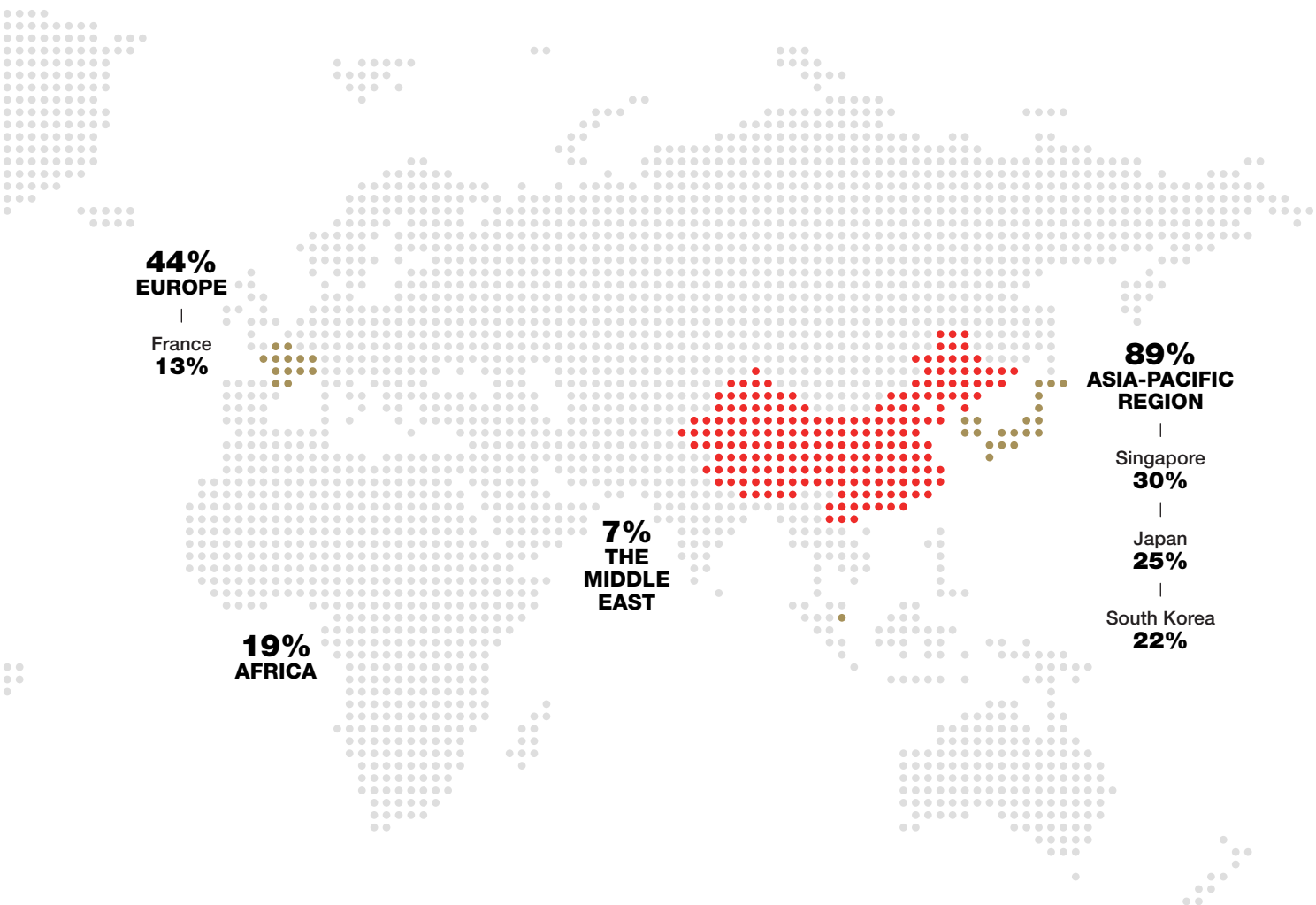


FIGURE 6
Travel Destinations Planned for the Next 12 Months (by Region)

PREFERENCE FOR SHORT-HAUL INTERNATIONAL DESTINATIONS

Among those who intend to embark on international travel in the coming year, there is a notable preference for short-haul destinations. Approximately 90% of luxury consumers planning international trips express their intention to visit countries within the Asia-Pacific region (Figure 6). The top choices for these travellers include Singapore, with 30% of respondents indicating it as their desired destination, followed by Japan (25%) and South Korea (22%) (Ibid.). Europe is the second-most popular region among Chinese luxury travellers, with 44% expressing their interest in visiting European countries (Ibid.). France emerges as the most desired European destination, with 13% of respondents expressing a preference for visiting the country (Ibid.). The Americas are also popular among Chinese luxury travellers (37%), with 16% planning trips to the United States and 14% to Canada (Ibid.).



PURSUIT OF ELEVATED TRAVEL EXPERIENCES

Mainland Chinese luxury consumers are also opting for a more luxurious travel experience. When it comes to international travel, 44% of respondents intend to fly in business class, while 39% plan to travel in premium economy (Figure 7). This indicates a willingness to invest in higher comfort and convenience during their journeys. Similarly, when selecting accommodation, 64% of international travellers express their intention to stay at upscale hotels such as Marriott or Crowne Plaza, while 43% of respondents plan to stay at luxury hotels such as Ritz-Carlton or Shangri-La, emphasising their desire for elevated hospitality experiences (Figure 8).

FIGURE 7

Types of Air Travel Planned

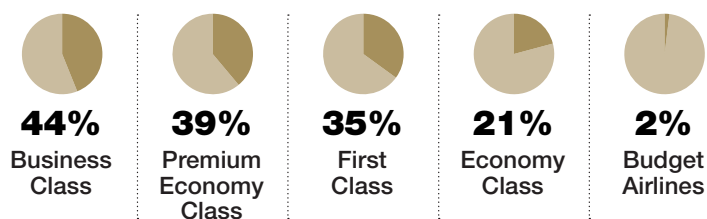
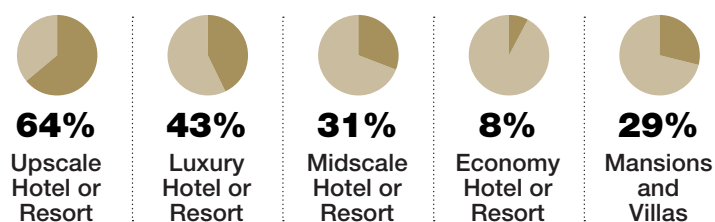


FIGURE 8

Types of Accommodations Planned





DIVERGING LIFESTYLE AND EXPERIENTIAL PREFERENCES ACROSS AGE SEGMENTS

Significant variances emerged between the youngest consumer segment in Mainland China (aged 21-25) and millennials (aged 26-35) regarding their views and inclinations towards luxury lifestyle and experiences.

YOUNGER CONSUMERS SEEK SELF-CARE AND WELLBEING

The youngest luxury consumers in Mainland China, driven by an aspiration for a luxurious lifestyle, exhibit a strong inclination towards luxury lifestyle elements. A significant majority (72%) of this segment focuses on enhancing their wellbeing and self-care (Figure 9). Notably, wellness and spa treatments rank among the top items they plan to spend more on in the next 12 months (63%, ranking number 2 and just slightly below health and fitness activities (64%)) (Figure 10). These young consumers prioritise immersing themselves in luxury experiences that nurture their physical and mental wellbeing. Compared to other age segments, they derive higher levels of satisfaction and fulfilment from spending on luxury experiences (83% vs. 75% overall) (Figure 11). They are also more inclined to allocate a larger proportion of their spending towards luxury lifestyle rather than luxury products (77% vs. 65% overall) (Ibid.) and are more willing to forgo purchasing luxury products in favour of seeking exceptional luxury experiences (62% vs. 55% overall) (Ibid.). These findings lend further support to

FIGURE 9

Reasons To Spend More On Luxury Lifestyle And Experiences

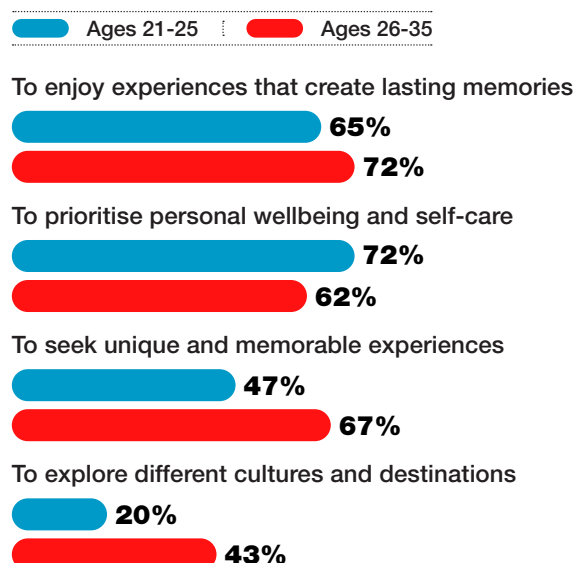
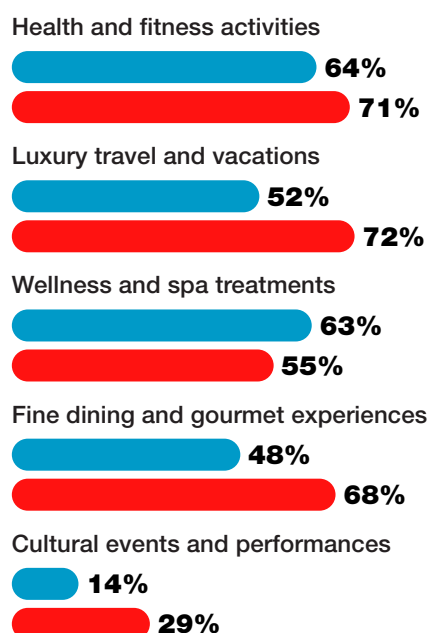


FIGURE 10

Categories to Spend More on in Luxury Lifestyle and Experiences



the conclusion that the youngest luxury consumers in Mainland China are willing to invest in their long-term wellbeing, presenting an opportunity for luxury brands to develop products and services that cater to this demographic's desire for investments in their health, personal development and overall quality of life.

MILLENNIALS SEEK EXCLUSIVE AND MEMORABLE EXPERIENCES

While the youngest luxury consumers aim at embarking on a continual journey to personal wellness, their millennial counterparts, aged 26-35, seek to curate unique and memorable moments. For them, the pursuit of luxury experiences is driven by a desire for exclusive and

extraordinary encounters. A significant majority of millennials are motivated by the prospect of indulging in unique and memorable experiences (67%) or enjoying experiences that leave lasting memories (72%) (**Figure 9**). They stand out as the age segment most likely to spend more on luxury travel and vacations (72%), as well as health and fitness activities (71%) and fine-dining experiences (68%) (**Figure 10**). Millennials place a premium on expanding their horizons, embarking on adventures, and savouring sophisticated culinary delights within their luxury lifestyle. They exhibit a preference for seizing the present, immersing themselves in exclusive experiences, and crafting lasting "once-in-a-lifetime" memories.



FIGURE 11
Statements On
Luxury Products
And Experiences
(Strongly Agree/
Agree)

● All Age Groups
● Ages 21-25

I find more satisfaction and fulfilment when I spend on luxury experiences than on luxury products.

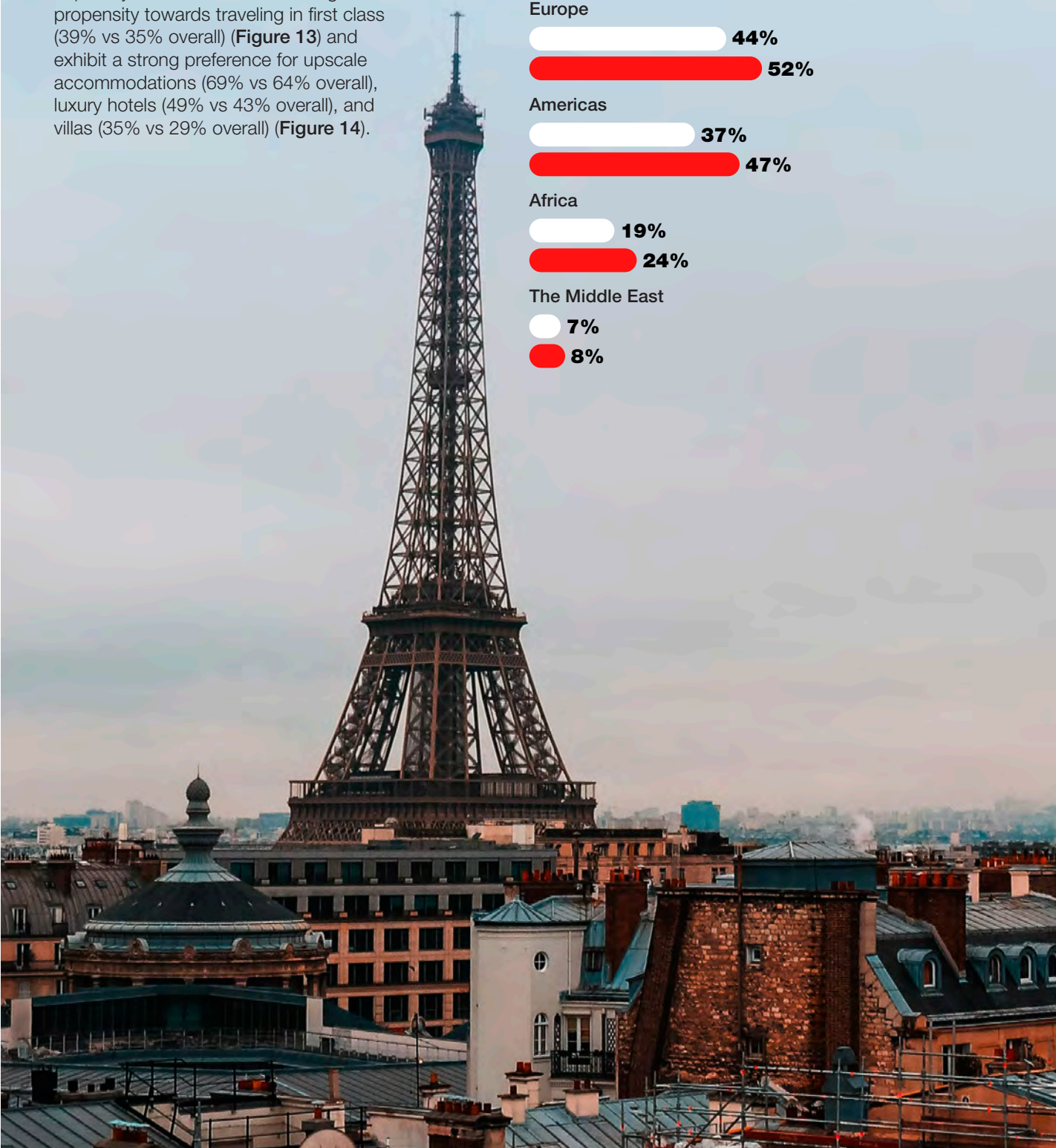
75% 83%

In the future, I expect to allocate a larger portion of my luxury spending budget towards luxury experiences rather than products.

65% 77%

I am willing to forego purchasing luxury products in order to afford exceptional luxury experiences.

55% 62%



MILLENNIALS’ PENCHANT FOR LAVISH TRAVEL

Millennials also display a strong inclination towards planning long-haul trips. Among those intending to travel internationally, a significant majority (52% vs 44% overall) have Europe as their preferred destination, while 47% plan to explore destinations in the Americas (vs 37% overall) (Figure 12). They also demonstrate the highest propensity towards traveling in first class (39% vs 35% overall) (Figure 13) and exhibit a strong preference for upscale accommodations (69% vs 64% overall), luxury hotels (49% vs 43% overall), and villas (35% vs 29% overall) (Figure 14).

FIGURE 12
Travel Destinations Planned for the Next 12 Months (by Region)

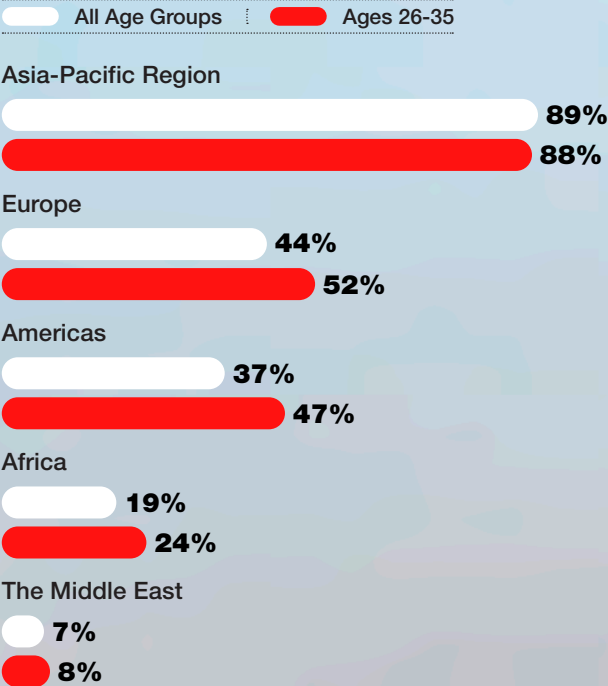


FIGURE 13

Types of Air Travel Planned

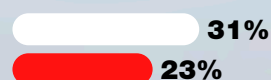
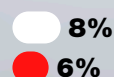
All Age Groups
 Ages 26-35

Business Class**Premium Economy Class****First Class****Economy Class****Budget Airlines**

FIGURE 14

Types of Accommodations Planned

All Age Groups
 Ages 26-35

Upscale Hotel or Resorts**Luxury Hotel or Resorts****Midscale Hotel or Resorts****Economy Hotel or Resorts****Mansions and Villas**

MDRI'S THOUGHTS

A HOLISTIC WAY OF LUXURY CONSUMPTION



The findings of our research further corroborate the prevailing notion that luxury consumers in Mainland China are actively pursuing a luxurious lifestyle characterised by immersive experiences. However, our report has revealed an intriguing insight: this growing desire for experiential elements does not in any way diminish their yearning for tangible luxury products. On the contrary, Mainland Chinese luxury consumers continue to acquire high-quality luxury goods, acknowledging that the inherent tangibility of these products cannot be replicated by lifestyle or experiential offerings alone. This multifaceted approach to luxury consumption reflects their evolving aspirations and a profound inclination towards a more enriching and holistic engagement with luxury.

The evolving attitudes of Mainland Chinese luxury consumers have presented remarkable opportunities for the luxury industry. Luxury brands now have the chance to broaden their range of offerings beyond mere physical products by integrating and infusing lifestyle and experiential elements. For instance, brands can forge partnerships with wellness retreats, luxury travel providers, fitness studios, and other experiential service providers to curate a comprehensive repertoire of products and experiences that align with the luxury lifestyle preferences of Mainland Chinese consumers while staying true to the essence of the respective brands.

This paradigm shift in consumer behaviour necessitates a strategic reframing of the luxury landscape. Luxury brands must transcend the conventional boundaries of product-centric approaches and embrace a more comprehensive and experiential outlook. By seamlessly integrating tangible luxury products with lifestyle and experiential elements, brands can cater to the evolving aspirations of Mainland Chinese luxury consumers, who seek a deeper sense of fulfilment and a more holistic conception of luxury consumption.

In engaging with the younger generation in Mainland China through lifestyle and experiential elements, luxury brands must consider the nuanced differences in behaviour between two distinct consumer segments: the younger consumers (aged 21 to 25) and the millennials (aged 26 to 35). It is crucial for brands to recognise that these two groups exhibit contrasting tendencies, wherein the former prioritises the nurturing of their wellbeing and the practice of self-care, while the latter gravitates towards indulgent experiences that are distinctive and memorable. Consequently, luxury brands need to discern which subset of the younger consumer population they intend to target and develop tailored strategies accordingly, aligning their offerings with the specific preferences and aspirations of their chosen consumer segment.

“Chinese luxury consumers seek a holistic experience blending tangible goods and immersive lifestyles, but brands must finely calibrate their strategies to appeal to diverse generational preferences.”



02.



SECTION II 5 Emerging Trends of the Chinese Luxury Consumer

Shopping Destinations

Mainland Chinese luxury consumers primarily favour Tier 1 cities¹⁶, in particular Shanghai, for luxury purchases, but Sanya is emerging as a popular luxury shopping destination. + Hong Kong remains a luxury hub for luxury purchases, particularly among Tier 3 luxury consumers, but is losing interest among Tier 1 luxury consumers as alternative luxury experiences closer to home gain popularity. + The youngest generation of Chinese luxury consumers, aged 21-25, exhibit distinct preferences, with less interest in Sanya and lower engagement with physical luxury shopping channels. They, however, still prioritise improved customer service and store experience when choosing luxury brands more than other age groups. + To stay ahead in this evolving market landscape, brands should focus on understanding the specific preferences and behaviour of consumers from different tiers, and tailor their marketing strategies accordingly. They should also consider expanding their presence in emerging luxury markets like Sanya, while maintaining a strong foothold in evolving markets such as Hong Kong.

16. See Methodology (P. 94) for definition of city tiers in Mainland China





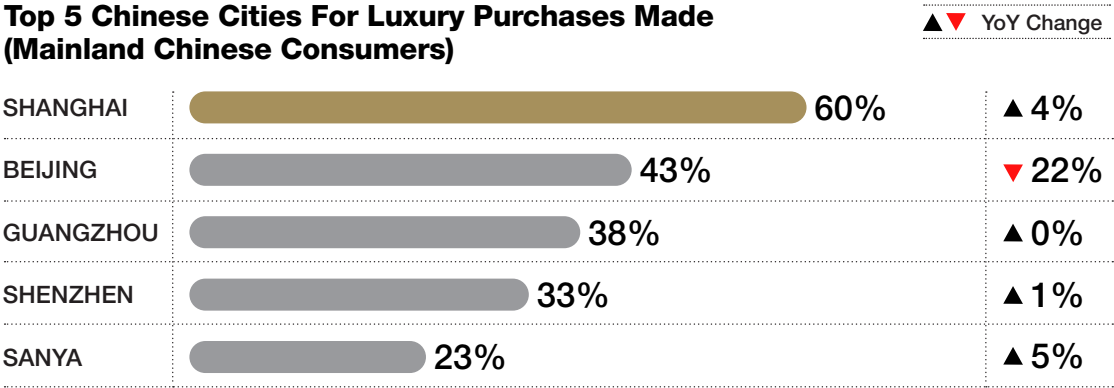
THE ASCENT OF SANYA: RESHAPING CHINA’S LUXURY LANDSCAPE

TIER 1 CITIES SOLIDIFY DOMINANCE

Our data underscores the continued dominance of Tier 1 cities as the go-to destinations for Mainland Chinese luxury shoppers. Among those who made domestic luxury purchases, Shanghai is the most visited luxury shopping destination (60% of domestic luxury shoppers made purchases there), a +4ppt increase compared to the previous year, overtaking Beijing, which saw a considerable 22ppt decline to 43% of luxury consumers (**Figure 1**). And finally, Guangzhou (38%) and Shenzhen (33%) round out the top Tier 1 luxury destinations as the least visited (*Ibid.*).



FIGURE 1
Top 5 Chinese Cities For Luxury Purchases Made (Mainland Chinese Consumers)





The ascent of Shanghai as the premier Chinese city for luxury purchases is a testament to their concerted efforts. The municipal government of Shanghai has spearheaded an ambitious initiative to position the city as the foremost domestic travel hub by 2027¹⁷. This strategic plan is designed to catalyse fresh service consumption

prospects, with service-related retail sales projected to surpass 50% of total retail sales within the next six years. Aligned with this blueprint, the Shanghai government is diligently enhancing various sectors such as culture, tourism, dining and transportation to solidify Shanghai's status as a global consumption epicentre.



SANYA EMERGES AS A RISING STAR

Looking beyond the traditional Tier 1 powerhouses, Sanya is gaining traction. In the past year, 23% of domestic luxury consumers made a luxury purchase in Sanya, a notable +5ppt increase, underscoring Sanya's growing appeal as a luxury shopping hotspot among Mainland Chinese clientele (**Figure 1**). Looking ahead to the next 12 months, while Tier 1 cities maintain their prominence as the preferred luxury shopping destinations, Sanya once again ranks fifth with 23% of Chinese luxury consumers expressing their intention to purchase luxury items there within the next year, highlighting its burgeoning status as a luxury shopping destination (**Figure 2**).

SANYA'S MIXED RECEPTION ACROSS THE STRAIT

Interestingly, while Sanya holds strong allure for Mainland Chinese luxury consumers, it does not garner the same level of enthusiasm from their Hong Kong counterparts. In the rankings of preferred Mainland luxury shopping destinations for Hong Kong consumers, Sanya places a distant seventh (trailing the Tier 1 cities, as well as Hangzhou and Chongqing). Only 5% of Hong Kong luxury shoppers who made purchases in Mainland China opted for Sanya (**Figure 3**). Looking ahead, the enthusiasm for Sanya remains relatively low, with just 6% of Hong Kong luxury consumers planning to make purchases there in the next 12 months (**Figure 4**).



FIGURE 2

Top 5 Chinese Cities For Future Luxury Purchases (Mainland Chinese Consumers)

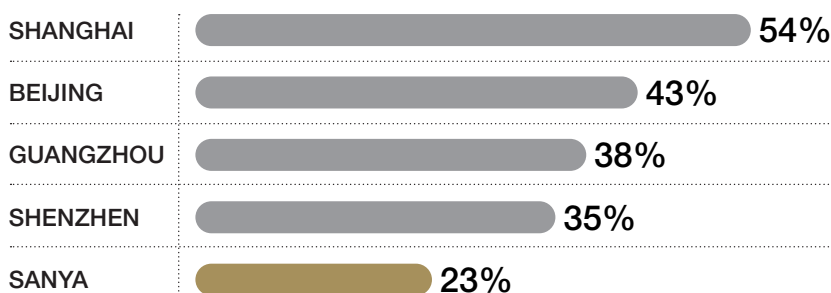


FIGURE 3

Top 7 Chinese Cities For Luxury Purchases Made (Hong Kong Consumers)

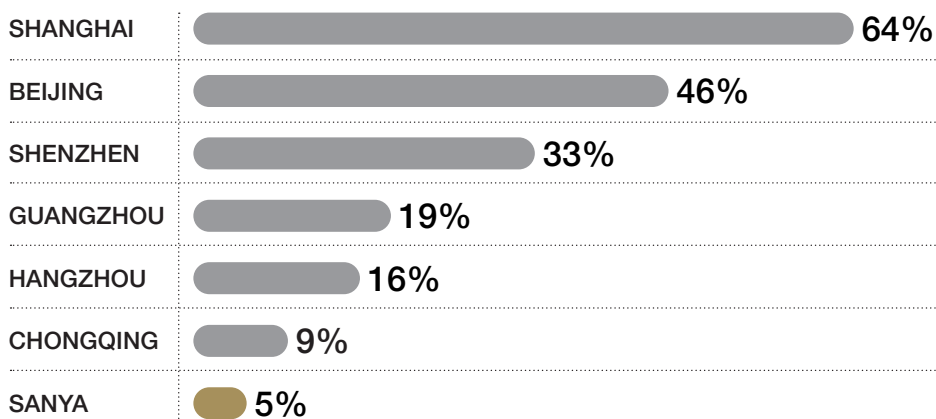
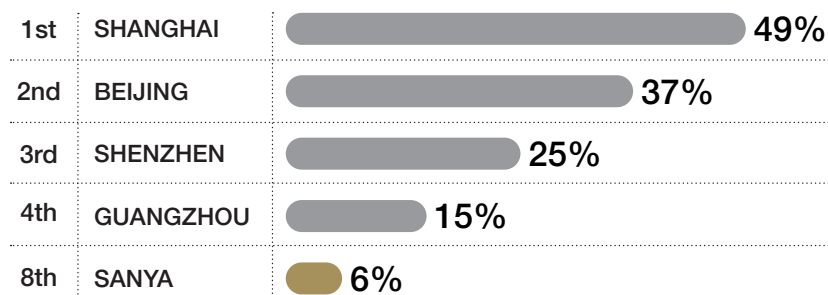


FIGURE 4

Top Chinese Cities For Future Luxury Purchases (Hong Kong Consumers)



MDRI'S THOUGHTS

THE ROAD AHEAD FOR SANYA



In accordance with Master Plan for the Hainan Free Trade Port by the Chinese Government, Hainan is dedicated to fully implementing the zero-tariff trade policy in Sanya, along with other measures (including liberalisation and facilitation of trade, investment, cross-border capital flows, movement of persons, transportation, and secure and orderly flow of data) to facilitate investment by 2025. It is proactively fostering tourism development by implementing the duty-free shopping policy for departing travellers, to stimulate tourism consumption and promoting the growth of high-end tourism to enhance its tourism sector.

As Mainland Chinese luxury consumers continue to seek out new experiences and destinations, Sanya's star appears to be on the rise. Its ability to capture a growing share of domestic luxury spending underscores its potential to reshape China's luxury landscape in the years to come. However, winning over discerning Hong Kong luxury consumers may prove a tougher challenge, requiring Sanya to further elevate its luxury proposition to gain broader regional appeal.

To establish a firm footing in this market, brands should adopt specific measures. Firstly, thorough market understanding is essential to gain insights into Sanya's visitors. This knowledge will enable brands to tailor their offerings and create a compelling value proposition. Secondly, brands should prioritise building strong brand awareness and recognition through targeted marketing campaigns, collaborations with influential local partners, and leveraging digital platforms popular among the younger luxury consumer segment. By capitalising on the potential of Sanya, luxury brands can tap into a thriving market and establish a meaningful presence in Mainland China.



“Sanya’s duty-free allure
lures Chinese luxury
consumers, yet brands must
delicately balance accessibility
with exclusivity to maintain
their premium cachet amid
the market’s rapid evolution.”





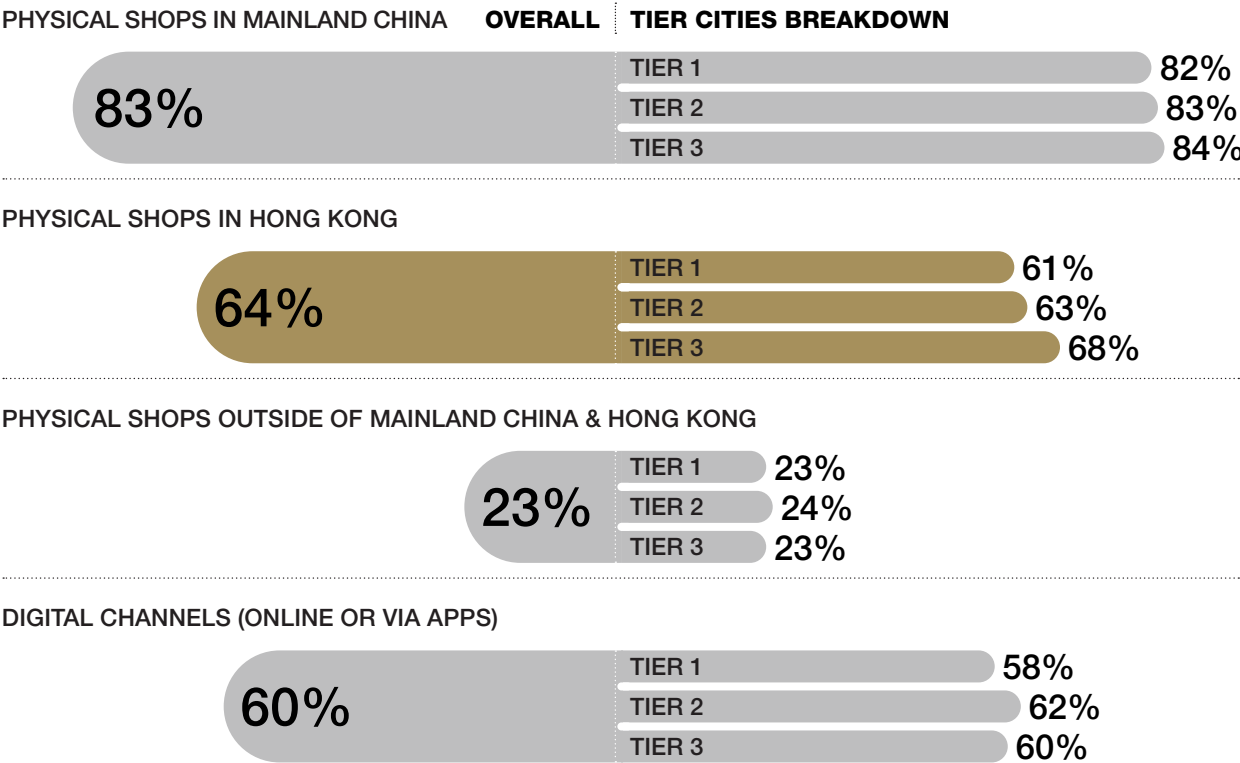
IS HONG KONG’S ROLE FADING AS A LUXURY SHOPPING DESTINATION?

THE ENDURING ALLURE OF HONG KONG

Hong Kong is still attractive as a shopping destination. Since Hong Kong’s reopening of its border with Mainland China, the number of mainland visitors to Hong Kong saw a constant increase, reaching a total of 2.6 million in May 2024¹⁸. From our data, on average, more than 60% of Mainland Chinese luxury consumers have made luxury purchases in Hong Kong (Figure 5). Meanwhile, a notable 82% of luxury

consumers in Mainland China perceive Hong Kong as an Asian luxury hub, a slight increase of +5ppt from the previous year (Figure 6). This perception is bolstered by key factors such as the availability of special edition pieces unique to Hong Kong, cited by 49% of respondents, and the unparalleled luxury services offered in the city, highlighted by 46% of respondents (Figure 7).

FIGURE 5
Luxury Shopping Locations

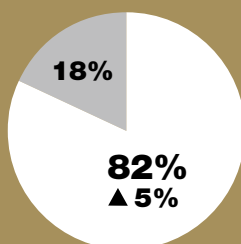


18. Census and Statistics Department, HKSAR Government

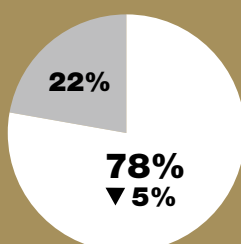
FIGURE 6
**Hong Kong
Is Still An Asian
Luxury Hub**

○ Agree
○ Disagree
▲ YoY Change

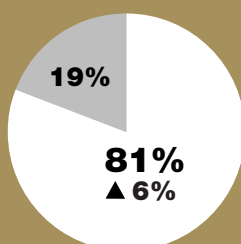
OVERALL



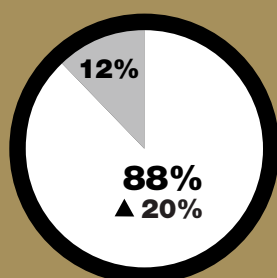
TIER 1
CITIES



TIER 2
CITIES



TIER 3
CITIES

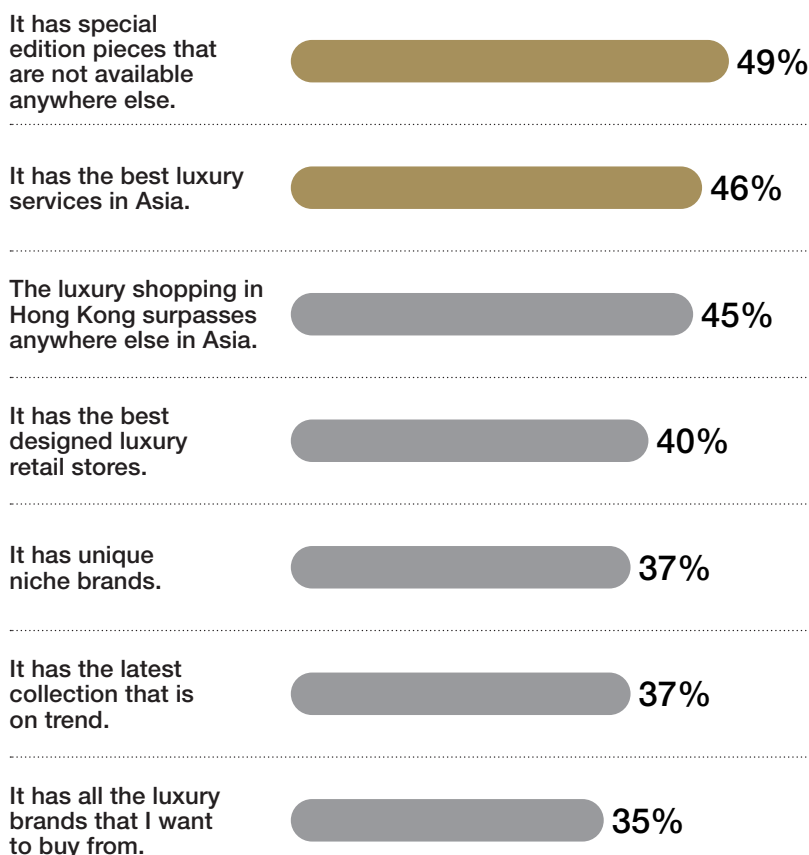


THE TIER 3 ADVANTAGE

Hong Kong's allure is particularly pronounced among luxury consumers from Tier 3 cities. A significant 68% of these consumers have made purchases in Hong Kong in the past year, a higher percentage than their counterparts from Tier 1 and Tier 2 cities (**Figure 5**). Moreover, 88% of Tier 3 city luxury consumers believe that Hong Kong continues to be a luxury hub in Asia (an impressive +20ppt increase from the previous year) (**Figure 6**). This level of agreement surpasses that seen among consumers from Tier 1 and Tier 2 cities, indicating a strong and growing preference for Hong Kong among those from less prominent urban centres.

Hong Kong's attractiveness among lower-city luxury consumers could be partly attributed to Chinese Government's efforts in fostering Hong Kong's tourism in these cities. In February 2024, for instance, the Chinese Government announced the expansion of the travel programme, allowing citizens from Xi'an and Qingdao to visit Hong Kong and Macau. The programme is now set to include additional cities, including those located in the province of Heilongjiang in the far northeast corner of China.

FIGURE 7
Why Hong Kong Is Still An Asian Luxury Hub





TIER 1 TIDE TURNING

Despite Hong Kong gaining appeal from Tier 3 luxury consumers, its attractiveness, nonetheless, appears to be waning among luxury consumers from Tier 1 cities. These consumers exhibit the lowest visitation rates across different city tiers, with only 61% having shopped in Hong Kong in the past year (vs 64% overall) (**Figure 5**). Furthermore, fewer Tier 1 city luxury consumers agree that Hong Kong remains a luxury hub in Asia (-5ppt to 78%) (**Figure 6**). Among those who do not view Hong Kong as an Asian luxury hub, 59% believe that Hong Kong no longer offers luxury experiences that surpass those available in other cities within Asia or China (**Figure 8**). This sentiment suggests a shifting landscape where Tier 1 city consumers are finding comparable or superior service level that are closer to home.

CLOSING THE GAP

In fact, among Mainland Chinese luxury consumers, there is a growing recognition that the service standards in Mainland China are catching up. While 97% of luxury consumers in China express satisfaction with the service in Hong Kong (+2ppt), an equal percentage are now also satisfied with that in Mainland China, marking a significant increase of +9ppt (**Figure 9**). This parity in satisfaction levels indicates that Mainland China is rapidly closing the gap in luxury service quality, which could further influence the shopping behaviours and preferences of Chinese luxury consumers in the future.



FIGURE 8

Why Hong Kong Is Not An Asian Luxury Hub (Tier 1 Cities Respondents)

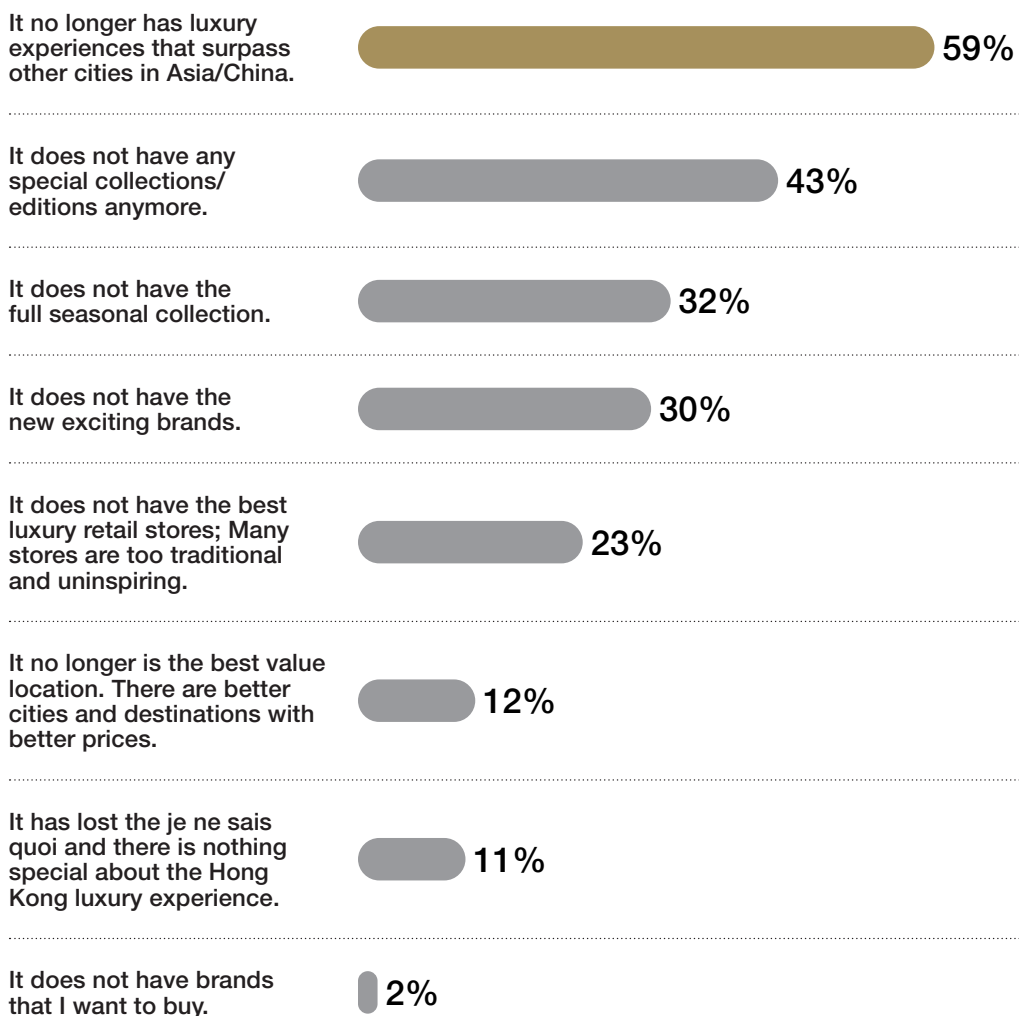
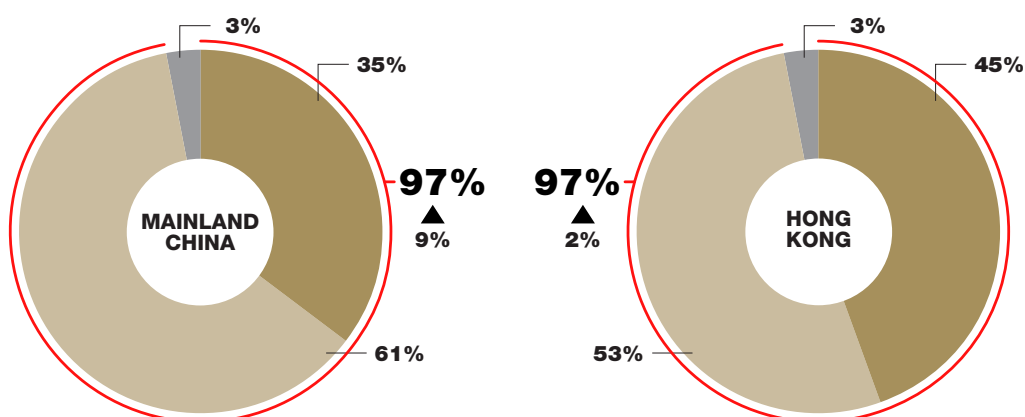


FIGURE 9

Service Satisfaction: Mainland China vs. Hong Kong

Very Satisfied | Satisfied | Neither | ▲ YoY Change





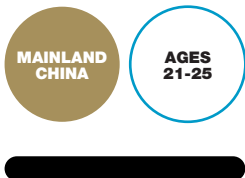
MDRi'S THOUGHTS

HONG KONG—AN UNCERTAIN FUTURE



Based on our analysis, it is evident that although the service level in Hong Kong is not experiencing a decline, there is a growing competition from Mainland China, which has rapidly caught up with Hong Kong's service standards. To maintain its status as a prominent luxury hub in Asia, Hong Kong must elevate its service level and invest consistently in training and developing in its retail workforce to deliver unparalleled service. A strong emphasis should be placed on high-touch, personalised service, catering to the preferences of Mainland Chinese luxury consumers who value a tailored shopping experience. Additionally, Hong Kong should differentiate itself by offering exclusive and unique luxury items and experiences that are not available elsewhere. By positioning itself as the premier destination for rare and distinctive luxury offerings, Hong Kong can attract consumers who actively seek distinctiveness and exclusivity.

Furthermore, as Hong Kong appeals to lower-tier-city luxury consumers, it is crucial for brands and retailers to align their strategies with the needs and expectations of these customers. This alignment should encompass various aspects, including product inventory, service level, and the pre-and post-purchase customer journey. By understanding and addressing the specific requirements of lower-tier-city luxury consumers, brands can effectively capture their attention and loyalty, ensuring sustained success in this segment.



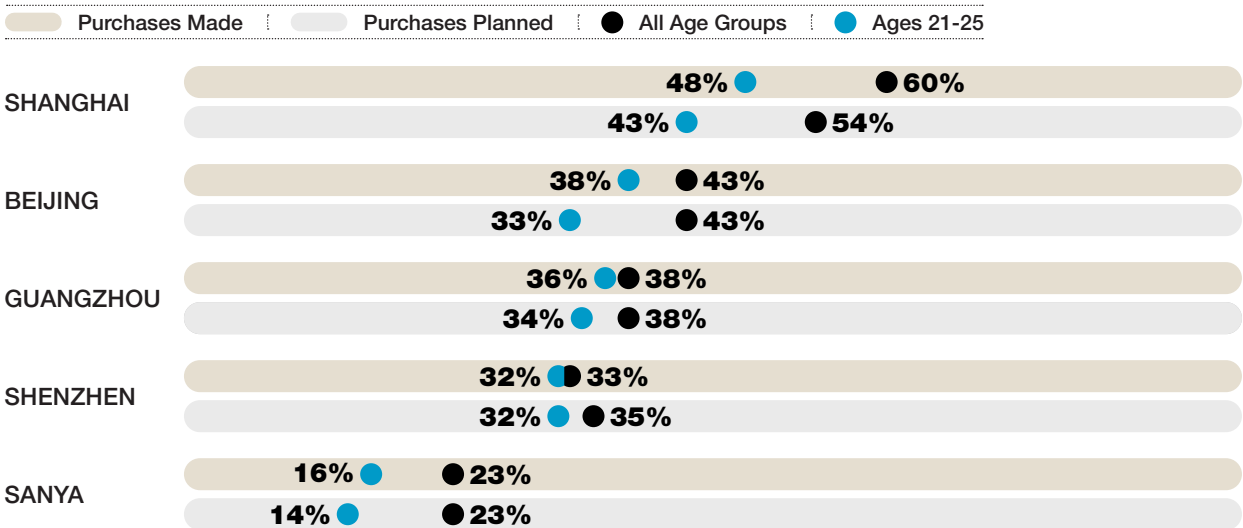
THE YOUNGER GENERATION—RESTLESS LUXURY CONSUMERS

RESISTING SANYA

While the island resort of Sanya has become a rising star in China’s luxury landscape, capturing the attention of many affluent shoppers, the country’s youngest luxury consumers, aged 21-25, appear to be marching to the beat of a different drum. Only 16% of the youngest luxury consumers have purchased luxury items in Sanya in the past year, which is much lower than the average of 23% (Figure 10). Looking ahead, their interest in Sanya remains relatively low, with only 14% planning to buy luxury items there in the coming year, once again falling below the overall average of 23% (Ibid.).



FIGURE 10
Chinese Cities For Luxury Purchases: Made and Planned





PHYSICAL DISCONNECT, EXPERIENTIAL DESIRE

On the other hand, this younger age group demonstrates a lower engagement with physical channels for luxury shopping. Only 75% of them have purchased luxury items in physical shops in China, which is lower compared to the overall average of 83% (Figure 11). However, their preference for physical experiences remains undiminished. When asked about the factors that define a winning luxury brand, 33% of the youngest consumers cited the ability to deliver exceptional customer service as the top priority (Figure 12). A further 32% emphasised the importance of enhancing the in-store experience, ranking it as the second most crucial factor (Ibid.).

FIGURE 11
Luxury Shopping Location

● All Age Groups ● Ages 21-25

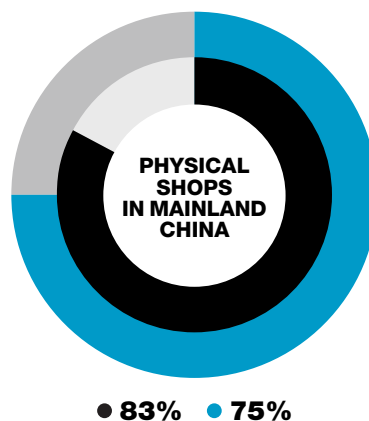


FIGURE 12

Top 5 Attributes of a Winning Brand

33%

Improving the customer service.

32%

Enhancing the store experience (e.g., updating the window display with fresh elements).

32%

Constantly innovating and trend-setting.

32%

Creating uniqueness in every detail (e.g., breaking from tradition and rules, catering to individualism).

31%

Bringing new products more frequently.

MDRI'S THOUGHTS

THE YOUNGEST SEGMENT: CHALLENGING THE STATUS QUO



The behaviour of the younger generation showcases a notable departure from luxury consumption patterns of their more mature counterparts. Their reluctance to engage with popular luxury destinations like Sanya, and their preference for experiential aspects such as exceptional customer service and in-store experiences, signal a shift towards more discerning and selective consumption habits. This younger demographic appears to prioritise quality, service, and overall experience over the mere act of purchasing luxury goods. Their emphasis on the holistic luxury experience suggests a deeper appreciation for how luxury consumption can contribute to their overall wellbeing and self-care.

By focusing on customer service and in-store experiences, younger consumers are indicating a desire for long-term and sustainable relationships with luxury brands. This shift towards a more experiential and service-oriented approach to luxury consumption may signify a move away from conspicuous consumption towards more meaningful and sustainable choices (in '*5 Emerging Trends of the Chinese Luxury Consumer—Sustainability and Second-hand Luxury*', we will take a deeper look into these consumers' predilection towards a more sustainable luxury consumption pattern). Luxury brands will likely need to adapt to these changing preferences by investing in personalised customer experiences, sustainability practices, and wellness-focused initiatives to cater to the evolving demands of this discerning demographic.

To effectively connect with the younger luxury consumers in Mainland China, luxury brands must deliver an extraordinary customer service experience. This entails surpassing conventional service standards and going above and beyond to exceed customer expectations. Additionally, brands should enhance the overall in-store experience by creating visually appealing and immersive environments that resonate with the desired brand image. By prioritising exceptional customer service and an improved store experience, luxury brands can position themselves as “winning” brands in the eyes of the younger generation, gaining their loyalty and fostering long-term relationships.

“Younger Chinese luxury consumers shun conspicuous consumption, demanding exceptional service and experiences that contribute to their wellbeing—a shift luxury brands must adapt to by elevating personalized, sustainable and wellness-focused offerings.”



03.

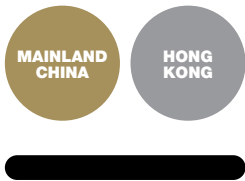


SECTION II
5 Emerging Trends of the Chinese
Luxury Consumer

Preferences of Domestic Brands Amid National Pride

Mainland Chinese luxury consumers are increasingly gravitating towards homegrown luxury brands, driven by a strong sense of national pride and a desire for products that authentically reflect Chinese culture and aesthetics. This preference for domestic luxury brands stands in stark contrast to their Hong Kong counterparts, who continue to favour prestigious global brands. + The growing importance of incorporating Chinese elements and traditional craftsmanship in luxury products underscores the need for brands to adapt their strategies to cater to the evolving preferences of these discerning Mainland Chinese luxury consumers.





A PREFERENCE FOR THE FAMILIAR

When it comes to the country of origin for luxury brands, Mainland Chinese luxury consumers selected Chinese luxury brands as their top choice (**Figure 1**). This contrasts with Hong Kong luxury consumers, who favoured French (31%) and Italian (24%) luxury brands, with only 18% showing a preference for Chinese luxury brands (**Ibid.**).

The inclination towards domestic luxury brands is further emphasised by the future buying intentions of Chinese luxury consumers. A significant 56% of Mainland Chinese luxury consumers stated that they plan to increase their purchases from domestic luxury brands in the next 12 months (**Figure 2**). In contrast, only 37% of their counterparts in Hong Kong expressed a similar intention (**Ibid.**).

FIGURE 1
Preferred Luxury Brands by Country of Origin

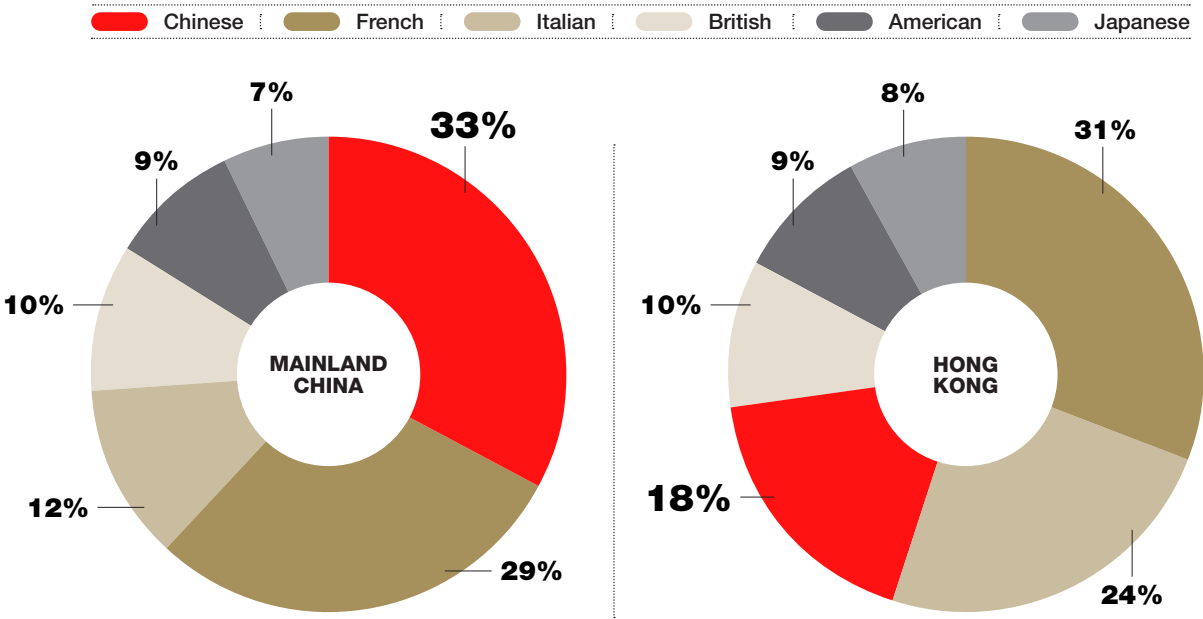
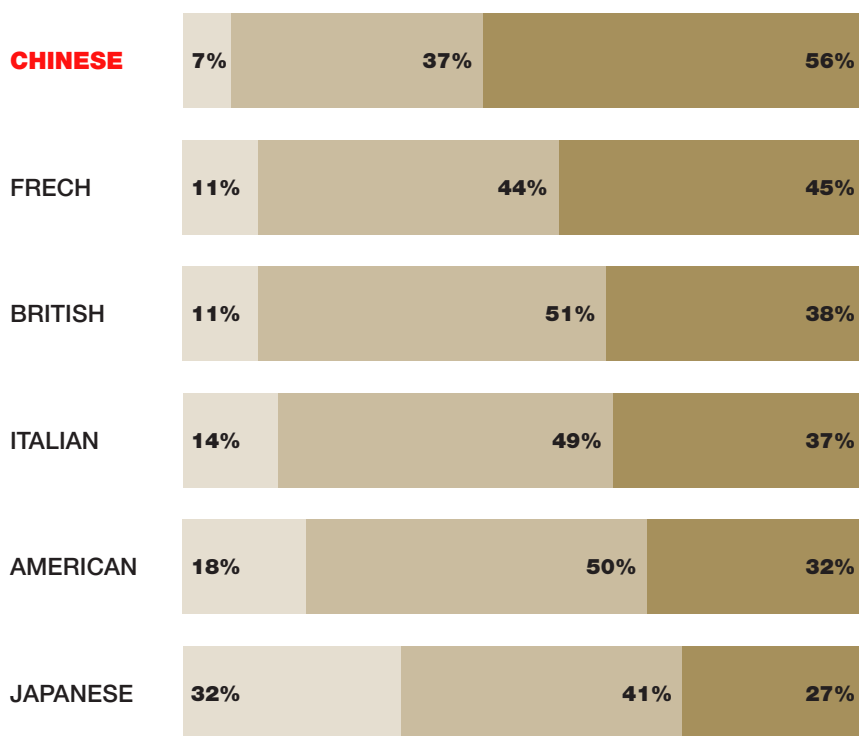


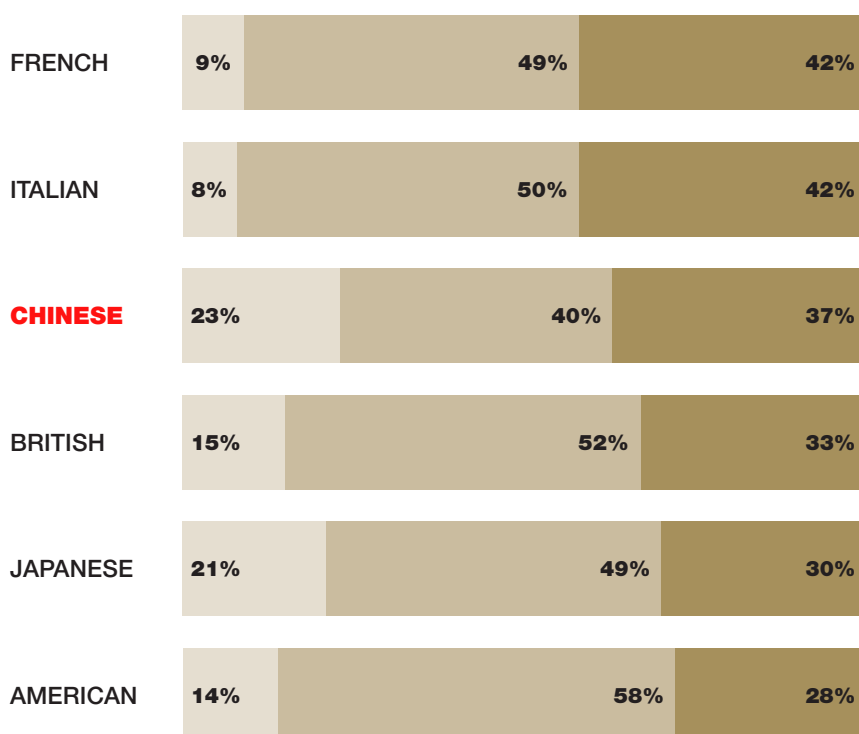
FIGURE 2
Likelihood of Purchasing Luxury Brands by Country of Origin

Spend Less Spend the Same Spend More

MAINLAND CHINESE RESPONDENTS



HONG KONG RESPONDENTS



This preference for domestic luxury brands extends to specific categories as well. Among luxury watch consumers in Mainland China, 73% reported a likelihood of purchasing Chinese brand watches; while 54% of luxury fashion consumers expressed their intent to buy more from Chinese fashion brands in the coming year (Figures 3, 4).

FIGURE 3
Likelihood to Purchase Chinese Brand Watches

Yes No Never Thought About It

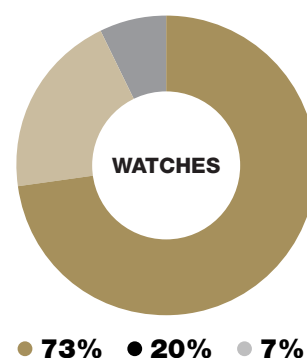
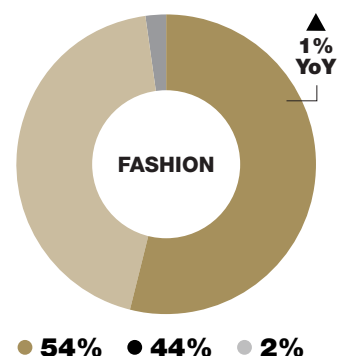
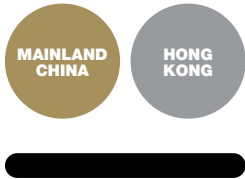


FIGURE 4
Future Purchase Intentions for Chinese Fashion Brands in the Next 12 Months

Buy More Buy the Same Buy Less





THE IMPORTANCE OF CHINESE ELEMENTS

The presence of Chinese elements in luxury is highly important to Mainland Chinese consumers, with 80% considering it extremely or somewhat important. This percentage has increased by +3ppt compared to the previous year (Figure 5). In contrast, only 51% of their Hong Kong counterparts share the same sentiment (Ibid.).

Mainland Chinese luxury consumers value the incorporation of cultural elements and Chinese aesthetics in their luxury purchases. They appreciate when luxury brands reflect Chinese aesthetics (44%, +3ppt), utilise traditional Chinese craftsmanship or materials (43%, +4ppt), and thoughtfully incorporate Chinese heritage (43%, +1ppt) (Figure 6).

FIGURE 5
Importance of Chinese Elements Embedded in Luxury

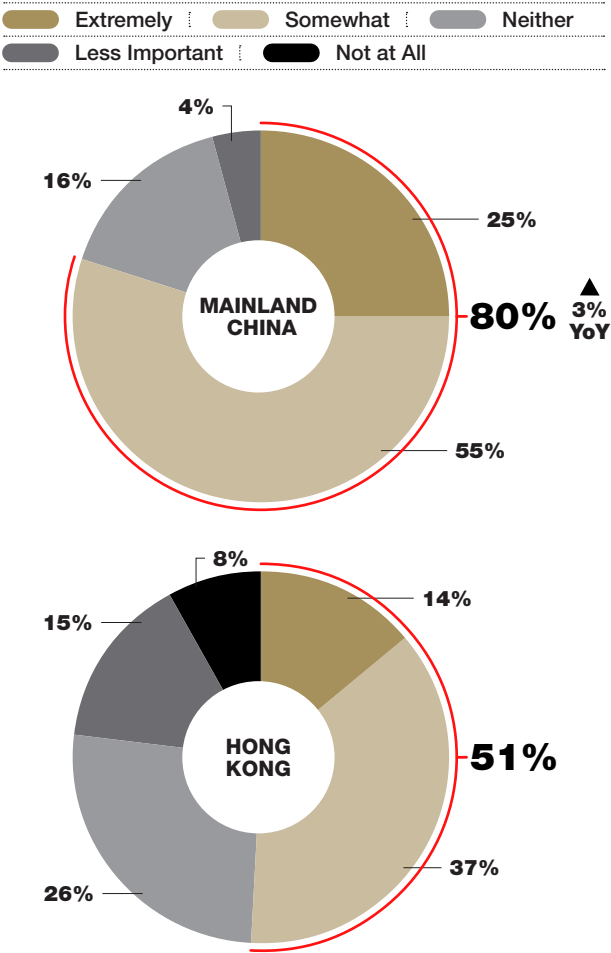
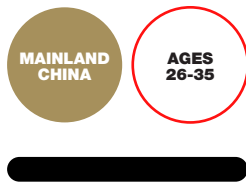


FIGURE 6
Key Chinese Elements Appreciated in Luxury

		▲ ▼ YoY Change
Conveying Chinese aesthetics in a positive manner	44%	▲ 3%
Using traditional Chinese craftsmanship or materials	43%	▲ 4%
Chinese elements that reflect Chinese heritage	43%	▲ 1%
Products with Chinese elements symbolising good luck	40%	▲ 1%
Chinese-designed elements	40%	▼ 1%
Chinese-appropriate greeting/service at hotels/boutiques/stores	31%	▲ 3%
Chinese food and drinks served at stores/events	30%	▲ 0%
Animal of the year	28%	▲ 2%

“Domestic Chinese luxury brands are on the rise, compelling global labels to adapt by infusing Chinese cultural elements, aesthetics and craftsmanship — a shift that could redefine the future of the global luxury industry.”





MILLENNIALS: SEEKING BOTH GLOBAL PRESTIGE AND NATIONAL PRIDE

The theme of millennials' spending habits is showcased again in their preference of luxury brands' countries of origin, as well as their purchase intentions. Unlike other age groups, millennials show a distinct inclination towards French luxury brands over Chinese ones, with 33% expressing a preference for French brands while 31% prefer Chinese brands (**Figure 7**). It should be highlighted, however, that this preference for French brands does not diminish their interest in domestic luxury products. On the contrary, millennials are more likely than other age groups to increase their purchases of Chinese luxury brands in the coming year, with 61% indicating a likelihood to buy more Chinese brands, compared to 56% overall (**Figure 8**). These data points show that millennials are open to purchasing both domestic brands and traditional prestigious Western brands.

National pride plays a significant role in shaping the purchasing decisions of millennial luxury consumers. This sentiment is particularly strong in the luxury watch and fashion segments. Among luxury watch consumers, 57% of millennials cite national pride as a key reason for choosing Chinese brand watches, a substantially higher percentage than the 40% overall average (**Figure 9**). In addition, 47% of millennial luxury fashion consumers cite national pride as a reason to purchase Chinese designer fashion brands (compared to 36% of all luxury consumers) (**Figure 10**).

These trends suggest that while millennials have a strong affinity for the established prestige of international luxury brands, particularly from France, they also embrace and support domestic luxury brands. This duality in their preferences reflects a broader trend among Chinese millennials towards balancing global influences with a strong sense of national identity and pride.

FIGURE 7
**Preferred
Luxury Brands
by Country
of Origin**

● All Age Groups
● Ages 26-35

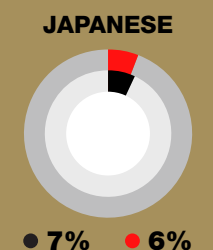
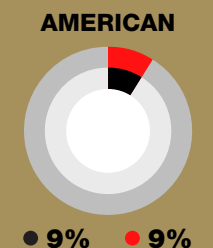
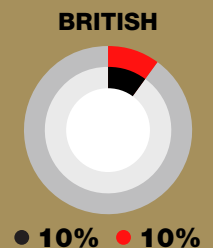
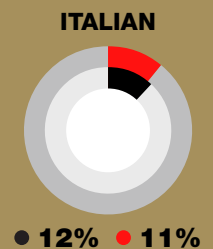
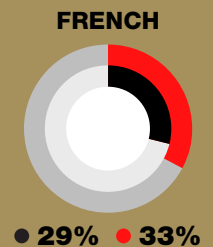
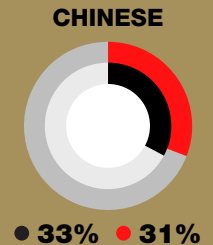


FIGURE 8

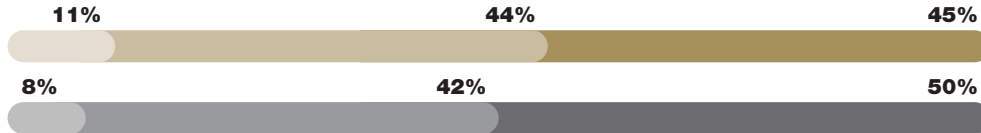
Likelihood of Purchasing Luxury Brands by Country of Origin

All Age Groups ▶ Spend Less Spend the Same Spend More
Ages 26-35 ▶ Spend Less Spend the Same Spend More

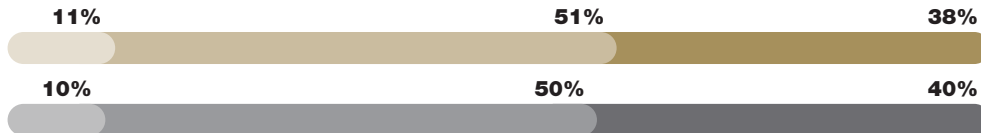
CHINESE



FRENCH



BRITISH



ITALIAN



AMERICAN



JAPANESE

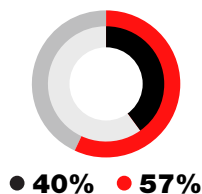


FIGURE 9

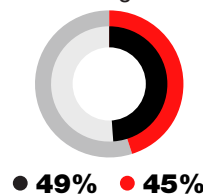
Reason to Purchase Chinese Brand Watches

All Age Groups
Ages 26-35

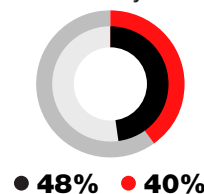
NATIONAL PRIDE



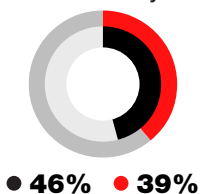
Unique Design



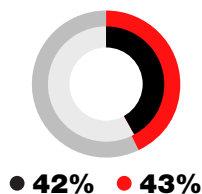
Value for Money



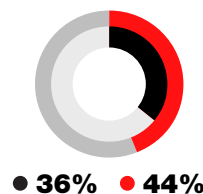
Brand Favorability



Personal Connection



Chinese Elements



Expression of Personality

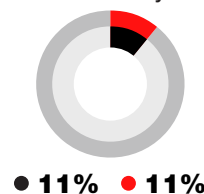
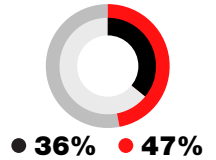


FIGURE 10

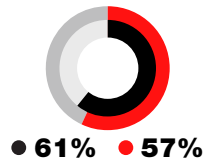
Reason to Purchase Chinese Designer Fashion Brands

All Age Groups
Ages 26-35

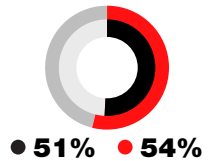
NATIONAL PRIDE



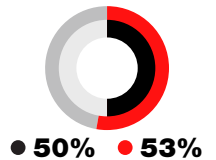
Chinese Elements



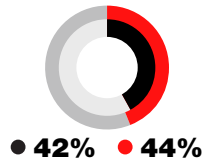
Designer Appeal



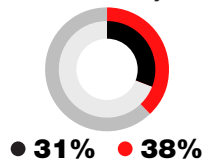
Unique Design



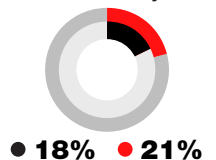
Value for Money



Brand Favorability



Expression of Personality







MDRi'S THOUGHTS

ADAPTING TO THE EVOLVING PREFERENCES



The strong inclination towards Chinese luxury brands among Mainland Chinese consumers indicates a shift in consumer preferences and underscores the rising prominence of domestic luxury products. Luxury brands should recognise this trend and adapt their strategies to cater to the unique demands of this growing segment of Chinese luxury consumers.

The success and influence of Chinese luxury brands have the potential to shape the future direction of the global luxury industry, setting new standards and pushing the boundaries of what luxury means in the years to come. On the other hand, for foreign luxury brands, a strong presence in the Mainland Chinese market could be established through the incorporation of Chinese elements, the embrace of Chinese aesthetics, and the showcase of traditional Chinese craftsmanship.

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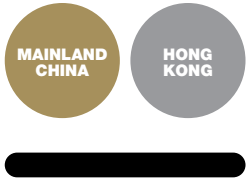


SECTION II 5 Emerging Trends of the Chinese Luxury Consumer

Sustainability and Second-Hand Luxury

The luxury market in Mainland China is increasingly prioritising sustainability, with a notable rise in luxury consumers valuing sustainable practices. In contrast to Hong Kong, a significant majority of Mainland Chinese consumers believe in the importance of sustainability and are willing to pay premiums for sustainable luxury products. Ethical sourcing and pollution reduction are key concerns among these consumers. + Additionally, there is a growing trend towards sustainable and circular consumption, particularly the adoption of second-hand luxury goods. A rising number of luxury consumers in Mainland China have purchased or intend to purchase second-hand luxury items, with small leather goods and shoes being the most popular categories. The awareness and acceptance of second-hand luxury are increasing, indicating untapped potential in this market. + Young consumers aged 21-25 are at the forefront of this shift, viewing second-hand luxury items as a means of self-expression rather than just a cost-saving option. This demographic shows the highest interest and engagement with pre-owned luxury items, driven by a desire to reflect their personality and taste.



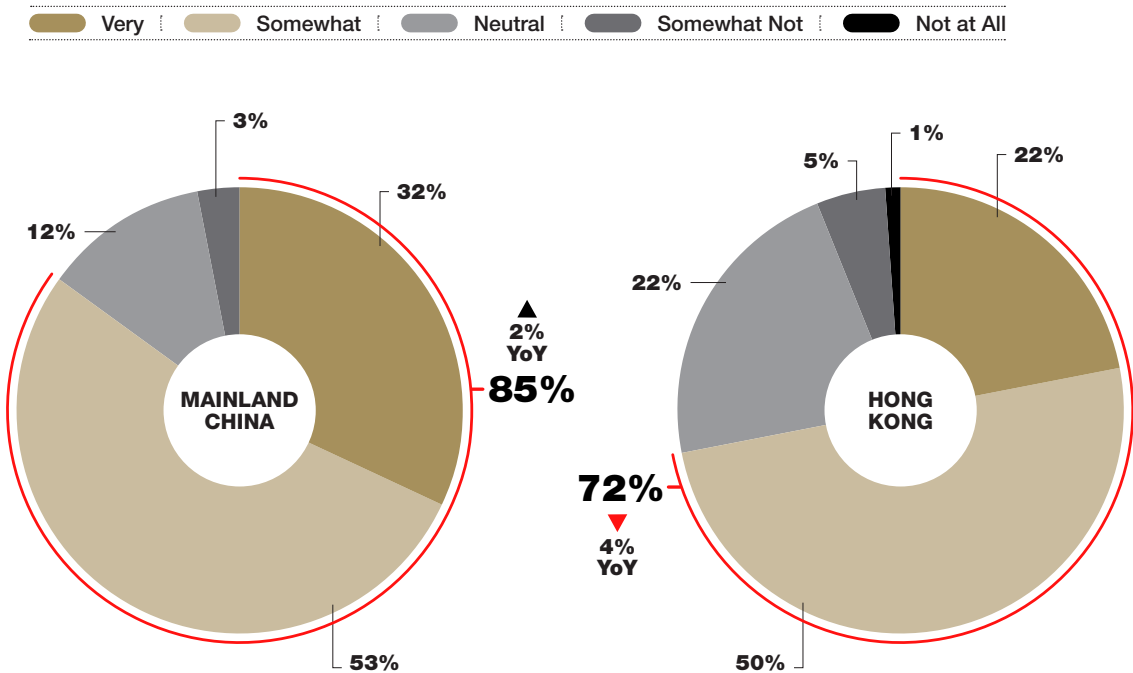


THE CONTINUOUS IMPORTANCE OF SUSTAINABLE LUXURY IN MAINLAND CHINA

Our data reveals a stark contrast between the sustainability attitudes of Mainland Chinese and Hong Kong consumers. In Mainland China, 85% of luxury consumers believe sustainability is important, a +2ppt year-over-year increase, whereas only 72% of their Hong Kong counterparts place emphasis on sustainability (a -4ppt compared to the previous year) (Figure 1). This divergence is further highlighted in the willingness to pay a premium for sustainable luxury products, with a remarkable 42% of Mainland Chinese

luxury consumers willing to pay 10% or more for sustainable offerings (unchanged from the previous year). Whereas their Hong Kong counterparts are far less inclined, with only 24% expressing a similar willingness (Figure 2). When it comes to specific sustainability practices, Mainland Chinese luxury consumers prioritise ethical sourcing of raw materials (43%, +4ppt) and the reduction of pollution in production (42%, also +4ppt) as the most important considerations (Figure 3).

FIGURE 1
Importance of Sustainability



The fashion industry contributes approximately 10% of carbon emissions worldwide, as reported by the World Bank. The negative environmental impact extends beyond emissions, with the Ellen MacArthur Foundation revealing that fabric dyeing and treatment accounts for about 20% of global wastewater. Additionally, less than 1% of used clothing is recycled, leading to a staggering 87% of clothing fibres ending up in landfills.

Acknowledging the urgency to address these issues, over 160 brands have joined The Fashion Pact, a non-profit organisation committed to achieving net-zero carbon emissions by 2050. These brands have set targets to transition to 50% renewable energy in their operations by 2025 and 100% by 2030. Notably, around one-third of the pact's members had already achieved the 2020 target. LVMH and Kering have implemented comprehensive sustainability roadmaps. These roadmaps encompass various initiatives, including the adoption of renewable energy sources and responsible sourcing practices¹⁹.

FIGURE 2

Willingness to Pay More for Sustainable Practices

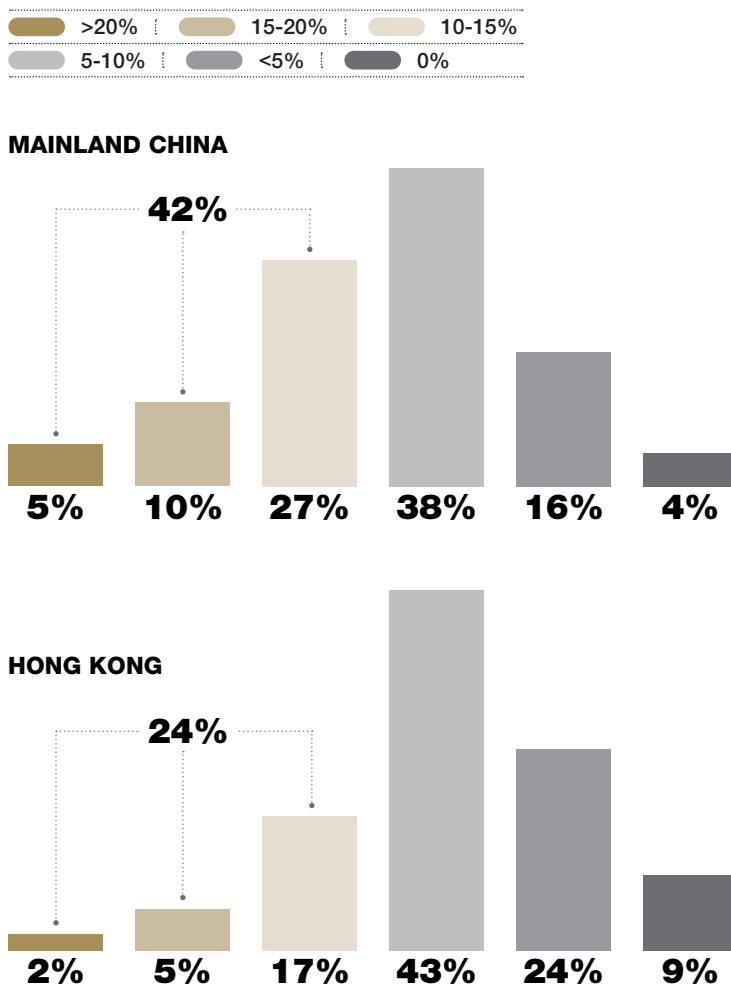
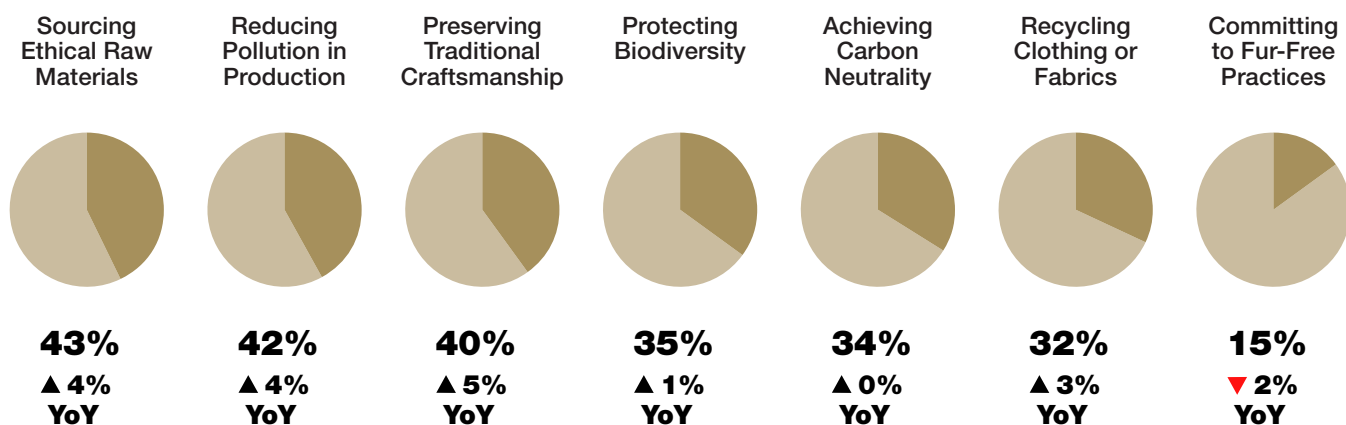


FIGURE 3

Importance of Sustainable Practices (Mainland Chinese Consumers)



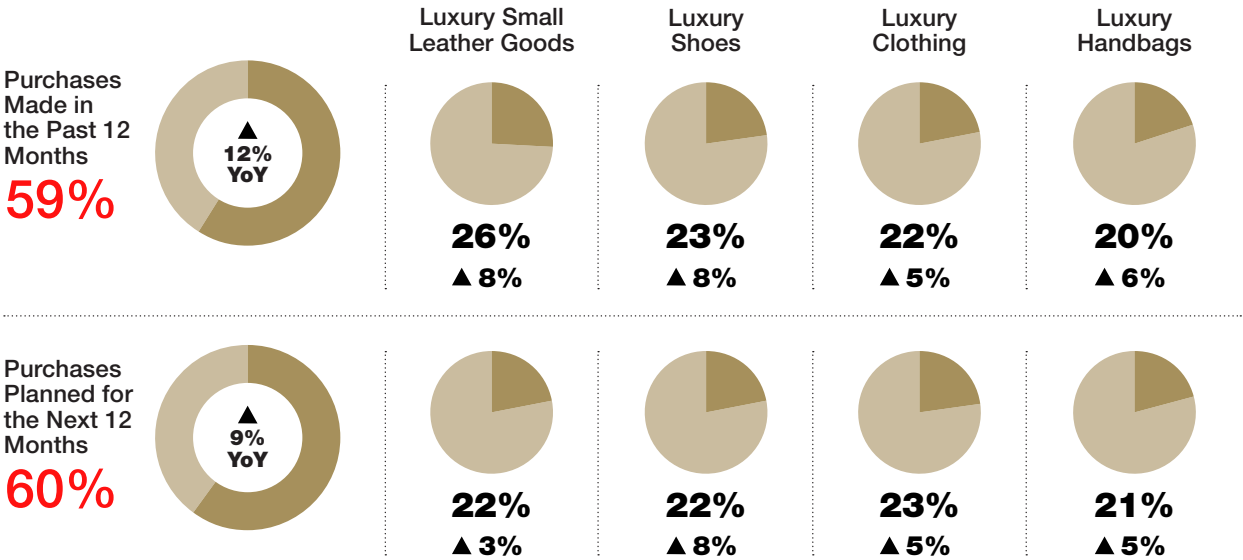


EXPANSION OF THE SECOND-HAND LUXURY MARKET

A key aspect of the shift to sustainable and circular consumption among consumers in Mainland China is the rising interest and adoption of second-hand luxury goods among consumers. Our data shows that 59% of Mainland Chinese consumers have purchased second-hand luxury items in the past 12 months, a significant +12ppt increase from the previous period (Figure 4). Furthermore, the intention to purchase



FIGURE 4
Second-hand Luxury Item Categories



“Surging Chinese demand for sustainable and second-hand luxury opens vast untapped potential.”

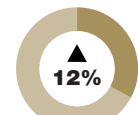
FIGURE 5
Reasons for Not Purchasing Second-hand Luxury Items

Discomfort With Secondhand Status



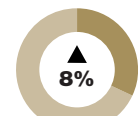
42%

Product Authenticity



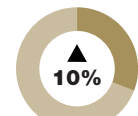
33%

Hygienic Concern



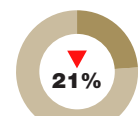
32%

Product Condition



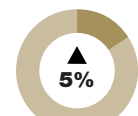
31%

NOT ON THE RADAR



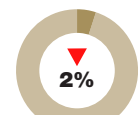
24%

Dealer Reliability



16%

Uninspiring Selection



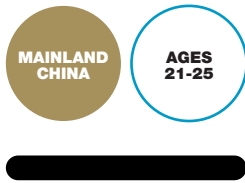
5%

second-hand luxury in the next 12 months stands at 60%, a jump of +9ppt (*Ibid.*).

When it comes to specific product categories, small leather goods and shoes have seen the highest levels of second-hand purchases, with 26% and 23% of Mainland Chinese consumers, respectively, reporting purchases in these segments (+8ppt for both) (*Ibid.*). There is potential for growth in second-hand luxury clothing (23% of consumers reported an intention to purchase such items in the next 12 months, +5ppt), small leather goods (22%, +3ppt), shoes (22%, +8ppt) and handbags (21%, +5%) (*Ibid.*).

OVERCOMING THE BARRIER OF UNAWARENESS

The declining share of Mainland Chinese consumers who overlook second-hand luxury as an option suggests a growing awareness and untapped potential in this market. Currently, 24% of those who had not purchased second-hand luxury cited ‘Not on the radar’ as one of the reasons for not making a purchase, a significant drop of 21ppt from 45% in the previous year, reflecting a higher level of awareness and openness towards second-hand luxury items among affluent Chinese consumers (Figure 5).



EXPANSION OF THE SECOND-HAND LUXURY MARKET

THE YOUNGER GENERATION'S EMBRACE

In particular, the younger luxury consumers (aged 21-25) in Mainland China are leading the charge in embracing the allure of second-hand premium products. This tech-savvy generation is spearheading a seismic shift in the way luxury goods are acquired and valued. Our data reveals that 65% of those aged 21-25 having purchased luxury items in the past 12 months—the highest among all age groups and a notable increase of +28ppt from the previous year (**Figure 6**). At the same time, 68% of this cohort (also a significant increase of +28ppt) expressed a strong interest in acquiring second-hand luxury items in the coming year, once again outpacing their older counterparts (**Ibid.**).

The driving force behind this trend is the younger generation's desire for self-expression. A significant 74% of 21-25 year-olds stated that vintage luxury items can effectively reflect their personality and taste,

a +20ppt increase from the previous year, while those who purchased second-hand luxury items because of good price dropped 23ppt to 19% (**Figure 7**). This suggests that second-hand luxury is no longer viewed merely as a cost-saving measure, but rather as a means of curating a unique and personalised style.

Interestingly, the primary barrier to second-hand luxury purchases among this age group is also diminishing. Thirty-seven percent of 21-25 year-olds who did not plan to purchase second-hand luxury items cited 'Not on the radar' as the reason for not purchasing pre-owned luxury items, a significant drop of 34ppt, reflecting a wider awareness and acceptance of the second-hand luxury market within this demographic (**Figure 8**).





FIGURE 6
Second-hand Luxury Item Categories (Ages 21-25)

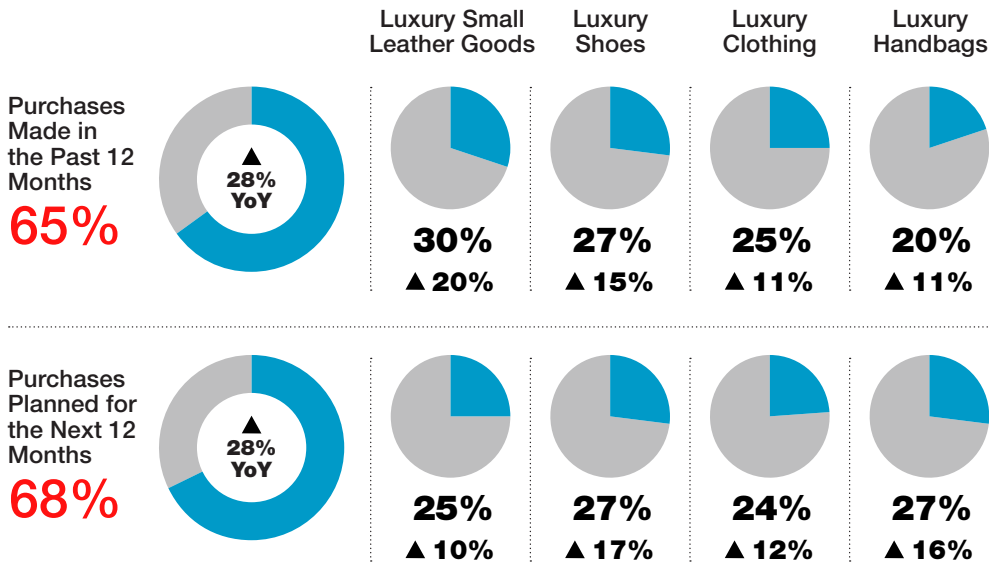


FIGURE 7
Reasons for Purchasing Second-hand Luxury Items

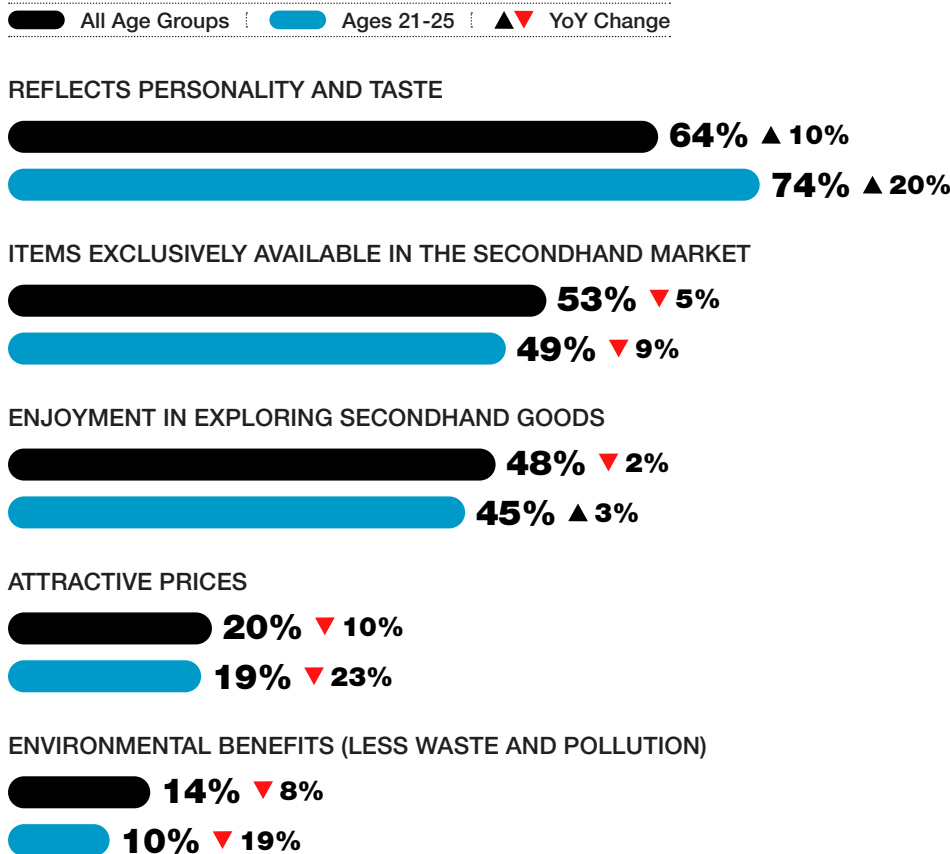
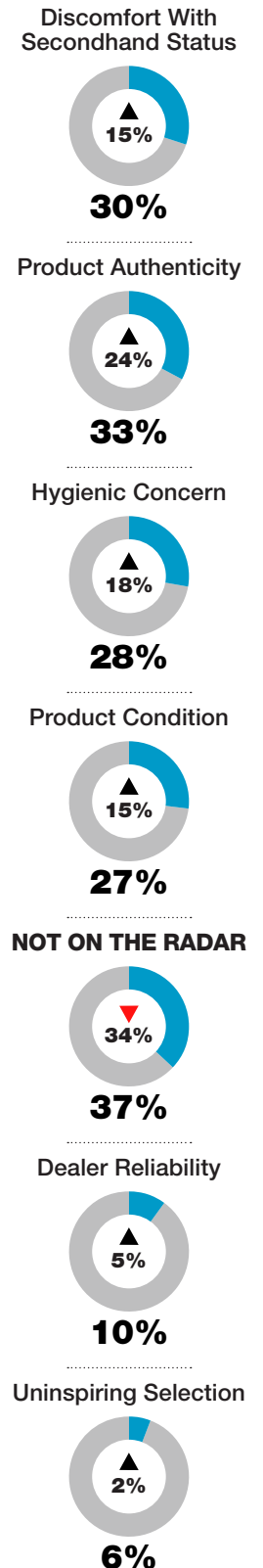


FIGURE 8
Reasons for Not Purchasing Second-hand Luxury Items (Ages 21-25)





MDRi'S THOUGHTS

UNTAPPING THE POTENTIAL OF SUSTAINABILITY PRACTICES AND SECOND-HAND LUXURY



Although significant progress has been made in driving sustainability efforts within the luxury industry, there is still a long way to go. The second-hand luxury market in China is a prime example of this—it is projected to experience substantial growth, reaching a value of \$30 billion (217 billion RMB) by 2025, compared to \$8 billion (58 billion RMB) in 2020²⁰.

This surge in pre-owned luxury consumption highlights the rising environmental consciousness among Chinese consumers, particularly younger generations like Gen Z and millennials. Together, these age groups are anticipated to account for over 80% of the total number of second-hand luxury consumers in China by 2025 (*Ibid.*). This confluence of sustainability awareness and circular consumption is poised to shape the future of luxury in the world's largest market. However, this is just the beginning—there is a lot more work to be done to truly drive education and action around environmental responsibility across the luxury ecosystem.

Luxury brands, industry stakeholders, and policymakers must double down on initiatives that promote circularity, eco-friendly manufacturing, and responsible consumption. This could involve expanding take-back and resale programs, investing in innovative materials and production methods, and spearheading consumer campaigns that normalise sustainability as a core brand value.

As the luxury market in China continues to evolve, maintaining this momentum and translating it into systemic change will be critical. The luxury industry must embrace sustainability not as a passing trend, but as an imperative for long-term viability and relevance. Only through sustained, comprehensive efforts can the luxury sector truly lead the charge towards a more sustainable future.

05.

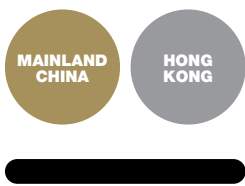


SECTION II 5 Emerging Trends of the Chinese Luxury Consumer

The Role of Tech and Artificial Intelligence in Luxury

Mainland Chinese and Hong Kong luxury consumers emphasise a harmonious fusion of tradition and innovation in luxury goods and experiences. While both groups value innovation, they also cherish heritage and craftsmanship. Mainland Chinese exhibit a stronger affinity for technologically advanced luxury items compared to their Hong Kong counterparts. Both groups see potential in Artificial Intelligence (AI) for personalised marketing but express concerns about its impact on luxury exclusivity. Openness to technology and Artificial Intelligence is consistently embraced by all age groups of Mainland Chinese luxury consumers.

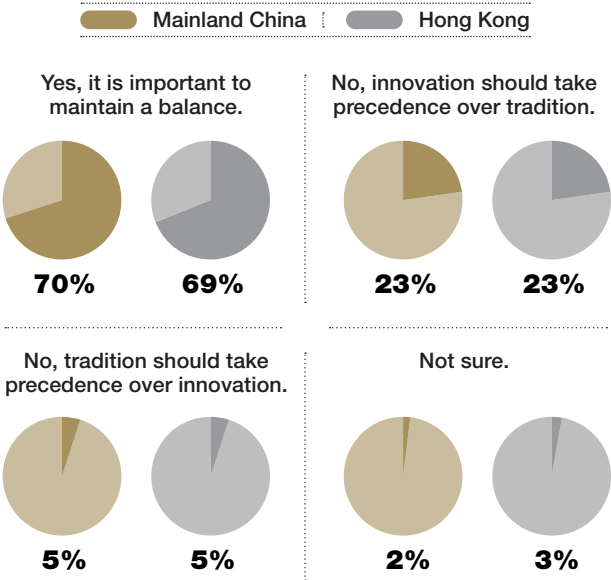




BALANCING TRADITION AND INNOVATION

Both Mainland Chinese and Hong Kong luxury consumers place a high value on maintaining a balance between tradition and innovation when it comes to luxury products and experiences. A significant majority—70% of Mainland Chinese and 69% of Hong Kong consumers—believe this balance is important. This suggests that while these consumers are receptive to new innovations, they still want luxury brands to uphold established traditions and craftsmanship (Figure 1).

FIGURE 1
Balance Between Tradition and Innovation

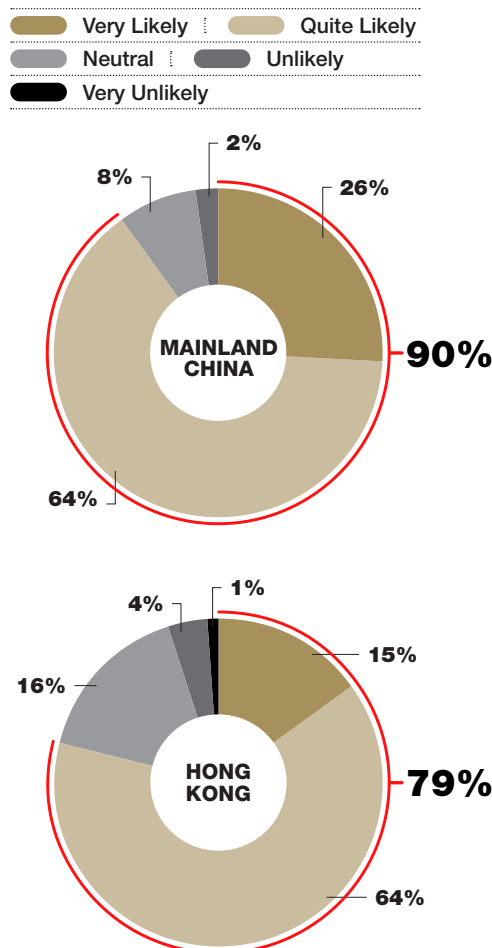




CHINESE CONSUMERS' APPETITE FOR TECHNOLOGICAL LUXURY

Reflecting their openness to blending tradition and innovation, Mainland Chinese luxury consumers demonstrate a strong appetite for luxury products and experiences that incorporate innovative features or technologies. Ninety percent of Mainland Chinese consumers say they are likely to pay a premium for such offerings, compared to only 79% of Hong Kong consumers (Figure 2).

FIGURE 2
Likelihood to Pay a Premium for Innovative Luxury

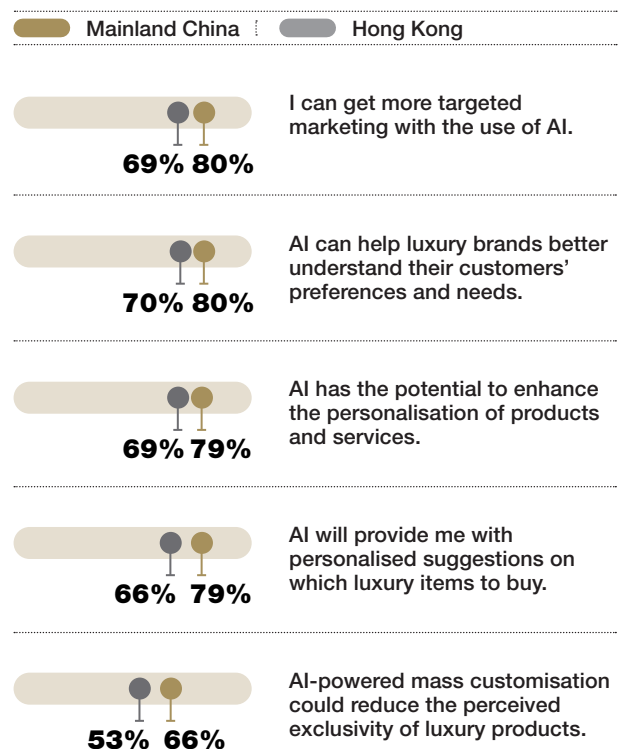


AI IN LUXURY: NAVIGATING BETWEEN PERSONALISATION AND EXCLUSIVITY

Luxury consumers in both Mainland China and Hong Kong have a largely positive view of how Artificial Intelligence can enhance the luxury experience, with 80% of Mainland Chinese luxury consumers agreeing that AI can provide them with more personalised and targeted marketing, while the same percentage believe AI can help luxury brands better understand their preferences and needs (Figure 3). A similar sentiment is shared by 70% of Hong Kong consumers (Ibid.).

However, there are some concerns around the potential impact of AI on luxury exclusivity—66% of luxury consumers in Mainland China and 53% in Hong Kong think that AI-powered mass customisation could reduce luxury products' perceived exclusivity (Ibid.).

FIGURE 3
Statement About AI on Personalisation (Strongly Agree/Agree)



MDRI'S THOUGHTS

DEPLOYING TECHNOLOGY IN LUXURY



Overall, the data suggests that while luxury consumers in Mainland China and Hong Kong generally embrace innovation in luxury, there are nuances in their attitudes. Brands will need to carefully navigate the balance between tradition and innovation, as well as address concerns around AI's impact on exclusivity. But the underlying appetite for cutting-edge technologies and design approaches appears strong, particularly among Chinese consumers.

Brands looking to cater to the Chinese market may need to place a greater emphasis on integrating cutting-edge innovations to meet consumer expectations. Luxury companies have a significant opportunity to leverage AI to deliver more tailored and meaningful experiences for their affluent clientele. Nonetheless, brands will need to carefully balance the benefits of AI-driven personalisation with preserving a sense of exclusivity.

A vertical collage of a woman's face and hands. The top half shows a woman's face with dark hair and red lips, repeated in a vertical sequence. The bottom half shows her hands, also in a vertical sequence, with a teal and red color scheme. The background is white.

“Brands must
fuse technological innovation
and timeless tradition to captivate
the country’s increasingly
sophisticated consumers, who
demand a seamless integration of
modernity and heritage.”

AFTERWORD

The Chinese Luxury Industry: Outlook for 2025 and Beyond

The findings in this report present an evolving and dynamic picture of the Chinese luxury market. Our data indicates a shift in the preferences, values, and behaviours of Mainland Chinese luxury consumers. These changes present both opportunities and challenges for luxury brands, particularly among the emerging Gen Z segment and all-important millennial customers.

The key trends uncovered in our report point to several critical developments:

Global Consumption Patterns: Chinese luxury consumption increasingly occurs across multiple international locations—it is estimated that 42-47% of luxury purchases will take place outside of China²¹—requiring brands to maintain consistent global experiences.

Evolution of Domestic Brands: The rise of domestic luxury brands, particularly in watches, is creating a more complex competitive landscape that demands innovation and cultural sensitivity from global brands.

Sustainability as a Core Value: Environmental consciousness and circular luxury are becoming central to purchase decisions, not merely additional considerations.

Technology-Enhanced Luxury: The strong appetite for AI-driven personalization presents opportunities for brands to enhance customer experiences while maintaining exclusivity.

Diverging Generational Preferences: The distinct preferences between millennials and Gen Z require brands to develop nuanced, targeted strategies.



21. BoF-McKinsey & Company: The State of Fashion 2025;
22. McKinsey & Company: China Consumption: Start of a New Era



Looking ahead to 2025 and beyond, we see a Chinese luxury consumer who is more globally mobile, technologically sophisticated, and discerning in their choices. While current market conditions present challenges, the fundamental drivers of luxury consumption in China remain strong, supported by evolving consumer sophistication, as well as a continued upper-middle-class expansion—it is estimated that 62% of urban households will be upper-middle and high income in 2030, a significant increase from just 41% in 2022²².

Leading luxury groups need to maintain their long-term focus through continuously investing in product innovation, distribution networks, and brand preservation despite current headwinds. This strategic patience, combined with strong financial foundations, are critical in strengthening premium luxury brands' market positions in the long term.

Success in the Chinese market will also require brands to balance immediate market responses with long-term strategic vision, maintaining brand equity while adapting to changing consumer preferences. Those who can navigate this complex landscape while preserving their core luxury values will be best positioned to capture the continued growth potential of the Chinese luxury market.

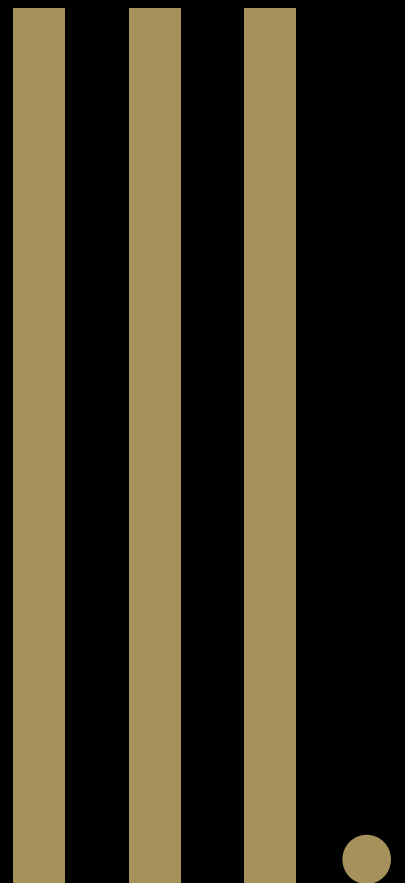
KEEPING UP WITH GEN Z: THE WIDENING GAP BETWEEN GEN Z AND MILLENNIALS

The youngest cohort of Chinese luxury consumers—Gen Z who are aged between 21 and 25—see luxury as a means to enhance wellbeing and self-care, prioritizing wellness and spa treatments over material products. Despite shopping less in-store, a holistic and exceptional customer service and enhanced in-store experiences are what they seek when they do so. And although Sanya is not a favoured destination, Gen Z are keen on pursuing unique luxury lifestyle elements and increasingly accept second-hand luxury items as a way to curate their personal style.

On the other hand, millennials (aged 26-35) indulge in luxury to create unique and memorable experiences. They show a strong preference for long-haul travel to Europe and the Americas and favour upscale accommodations, such as luxury hotels and villas. Meanwhile, although they do show a notable inclination towards French luxury brands, millennials are—among other age groups—more likely to purchase Chinese luxury items, driven by national pride, which significantly influences their choices, particularly in luxury watches and fashion.



SECTION



Appendix: Category Overview | In this section, we delve into how luxury consumers' exposure to various modes of media influences their decision-making in luxury purchases, followed by a summary of the most popular brands and the key elements consumers look for in luxury watches, jewellery, fashion, handbags, cosmetics, and wine and spirits.

INFLUENCERS OF PURCHASING DECISIONS

Luxury consumers in Mainland China are heavily influenced by recommendations from professionals and fashion media when making purchasing decisions across various luxury categories, including watches, jewellery, fashion, handbags, and wine. Celebrities and social media also play an influential role for Mainland Chinese luxury buyers, though to a lesser degree than professional recommendations.

The dynamics are somewhat different among luxury consumers in Hong Kong. Here, professional/fashion media recommendations and friends' opinions are the most impactful factors, outweighing the influence of social media. The exception is in the fashion category, where celebrities emerge as one of the key drivers of purchase decisions.

DIFFERENCES AMONG AGE GROUPS

For the younger 21-25 age group, their low receptiveness to professional recommendations is likely due to their relative lack of exposure and experience engaging with experts and authorities in various industries. As young, emerging luxury consumers, they may have not yet developed the same level of trust and deference towards professional opinions that older, more seasoned luxury buyers have.

Instead, this younger cohort appears to be more swayed by fashion media recommendations. This could be attributed to their coming-of-age in the digital era, where they have grown up constantly exposed to influencer marketing and social proof from fashion, lifestyle, and celebrity media. The recommendations from these trusted fashion and style sources likely carry significant weight in shaping their luxury purchase decisions.

These age-related differences highlight the importance for luxury brands to tailor their marketing approaches to effectively engage different generational cohorts of luxury consumers in Mainland China. Understanding the evolving influences and priorities across the age spectrum can enable brands to develop more targeted, impactful strategies to capture each segment's attention and loyalty.





2.0

KEY OBSERVATIONS
OF EACH LUXURY
CATEGORY:






2.1

WATCHES

While Cartier and Bulgari are the most well-known watch brands among both Chinese and Hong Kong luxury consumers, Rolex emerges as the top brand that these consumers have purchased the most.

There are, nevertheless, notable differences in their watch preferences. Mainland Chinese luxury consumers show a greater inclination towards multi-functional watches, such as moon phase models, as well as jewellery watches. In contrast, Hong Kong luxury consumers gravitate more towards simple, everyday watches and jewellery watch styles. Another key distinction is the country of origin. While Swiss watches remain the most popular choice in both markets, a significant 31% of Mainland Chinese luxury consumers express a preference for Chinese-made watch brands, while only 12% of luxury watches consumers in Hong Kong prefer Chinese watches.

In terms of the key factors driving their purchase decisions, both groups prioritise craftsmanship. However, Mainland Chinese luxury consumers also place a strong emphasis on the overall brand design, while their Hong Kong counterparts additionally consider the potential resale value of the watches.



“Cartier and Chanel reign supreme, but mainland Chinese covet recognizable jewels, Hong Kongers eye resale value.”



2.2

JEWELLERY

Among luxury consumers in both Mainland China and Hong Kong, Cartier and Chanel stand out as the most recognized and purchased jewelry brands. Additionally, Bulgari ranks as the third most-purchased jewellery brand among Mainland Chinese luxury jewellery buyers.

In terms of material preferences, luxury jewellery consumers from Mainland China favour yellow gold (55%) and diamond (52%) jewellery, while those from Hong Kong prioritise diamonds (61%) above all else.

The potential for resale value is a key factor that influences jewellery purchasing decisions for consumers from both Mainland China and Hong Kong. However, Mainland Chinese buyers also place importance on the “easy to recognise” aspect of the jewellery, while Hong Kong consumers value craftsmanship as another crucial consideration, alongside resale value.

2.3

FASHION

Chanel and Balenciaga emerge as the top two most recognised and purchased fashion brands for both Mainland Chinese and Hong Kong luxury consumers, underscoring their strong appeal across these high-end markets.

An interesting divergence is the declining popularity of Bottega Veneta among Hong Kong luxury consumers. With a 15ppt year-over-year drop in purchases from 21% to 6%, the brand's performance among Mainland Chinese consumers is maintained: -10% had made purchases from Bottega Veneta, the same as last year.

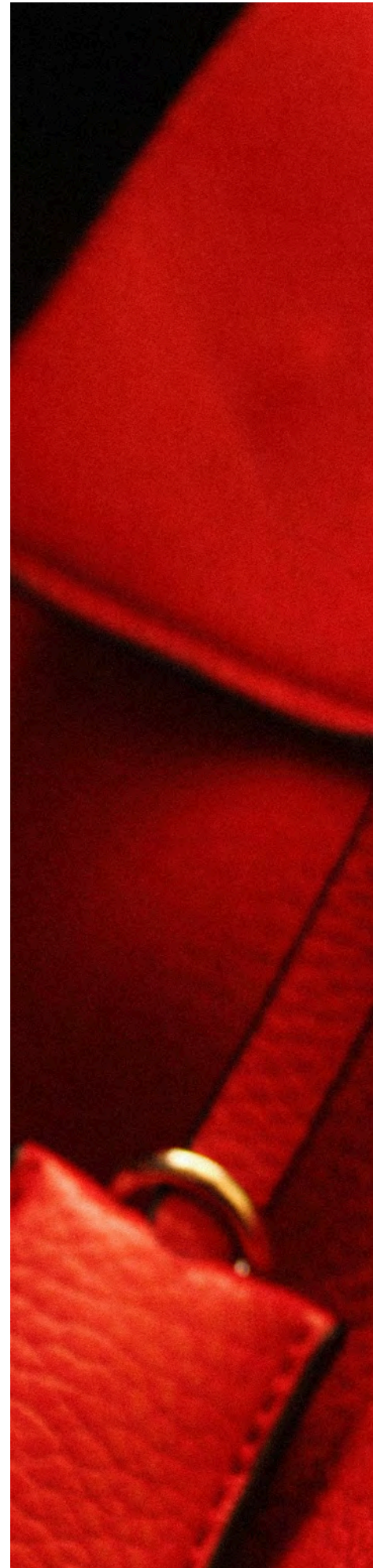
When it comes to the factors driving their fashion purchasing decisions, both Mainland Chinese and Hong Kong luxury consumers place the highest importance on the quality of materials, followed by comfort. This highlights the emphasis these discerning buyers place on craftsmanship and wearability, rather than just brand cachet.

2.4

HANDBAGS

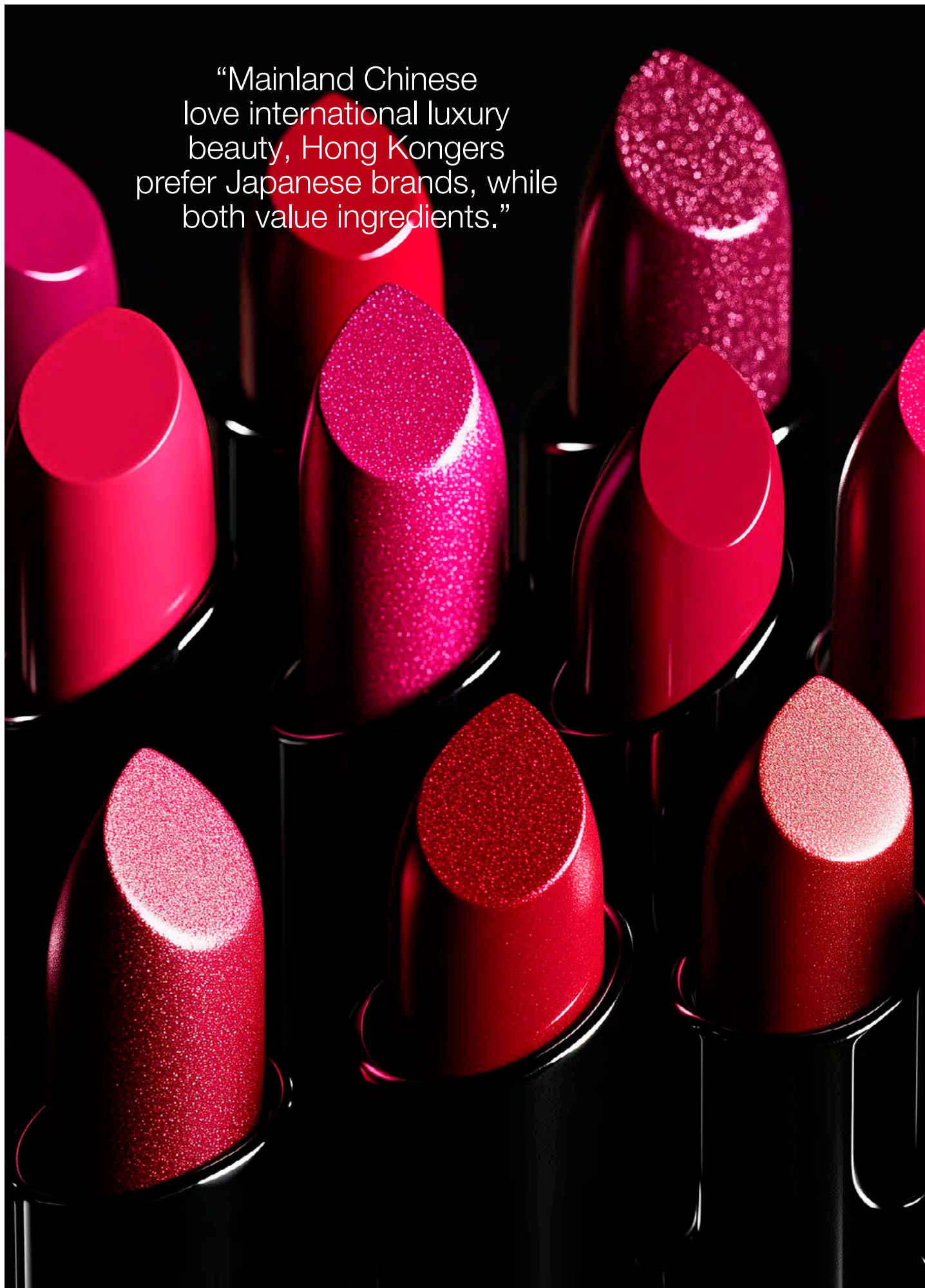
In the handbag market, Chanel and Balenciaga have become the top two most recognized and sought-after brands among luxury consumers in both Mainland China and Hong Kong. Dior and Hermès take the third and fourth place, respectively, among most-purchased brands in both markets.

The priorities driving their purchasing decisions also differ between the two markets. Mainland Chinese luxury consumers place the highest importance on the style of the handbag, valuing the aesthetic appeal and fashion-forwardness of their accessories. In contrast, Hong Kong affluent buyers care more about brand awareness and the quality of materials, indicating a stronger emphasis on brand cachet and craftsmanship.





“Mainland Chinese love international luxury beauty, Hong Kongers prefer Japanese brands, while both value ingredients.”





2.5

COSMETICS

Mainland Chinese luxury consumers display a greater affinity for international luxury beauty brands like Dior, Lancôme, and Estée Lauder, with the latter experiencing a +7ppt increase in purchases. In contrast, Hong Kong luxury consumers are more drawn to Japanese luxury beauty brands such as Shiseido and SK-II.

Both Mainland Chinese and Hong Kong luxury consumers place the highest importance on ingredients and efficacy when purchasing beauty products, underscoring their discerning approach and emphasis on quality over brand recognition alone. This suggests that these luxury consumers are seeking beauty products that not only carry a prestigious label, but also deliver tangible benefits and results.

The differences in purchase channel preferences are also noteworthy. While both markets exhibit a preference for physical stores and brand official websites, Mainland Chinese beauty and cosmetics consumers are more inclined to make purchases through comprehensive e-commerce platforms, with 55% of their beauty and cosmetics purchases occurring on these types of digital channels.

2.6

WINE AND SPIRITS

Both Mainland Chinese and Hong Kong wine and spirit consumers displayed familiarity with prominent luxury spirits brands like Rémy Martin and Hennessy. Chivas was also particularly popular among Mainland Chinese buyers. However, there are differences in preferences between wine and spirit consumers in the two markets.

Mainland Chinese luxury consumers favoured Chinese Baijiu (56%) and high-end whiskey (56%), followed by high-end red wine (53%). In contrast, Hong Kong luxury consumers prioritised high-end whiskey (53%), followed by high-end red wine (45%), and white wine (40%). Interestingly, both markets saw an increase in high-end whiskey purchases, with +13ppt increase among Chinese consumers and a +7ppt increase for Hong Kong buyers.

When it came to purchasing decision factors, Mainland Chinese luxury consumers placed the highest emphasis on brand awareness (54%) and taste (51%), while Hong Kong consumers valued taste (52%) and cost-effectiveness (47%) the most. These insights underscore the nuanced differences in luxury alcohol preferences and purchase drivers between the two affluent consumer segments.

Methodology

An online survey was conducted from April to May 2024, with a sample size of 1,500 luxury consumers from Mainland China and 500 luxury consumers from Hong Kong. All respondents were required to have made purchases of luxury items and to have spent a minimum of 50,000 in their local currencies (equivalent to approximately USD 6,400 for Hong Kong and USD 6,900 for Mainland China) on luxury purchases within the past 12 months.

The Mainland China sample was split across Tier 1, Tier 2, and Tier 3 cities with a 40:30:30 ratio. The definition of these city tiers is provided below.

TIER DEFINITIONS:

Tier 1 cities: Shanghai; Beijing; Shenzhen; Guangzhou

Tier 2 cities: Changsha; Chengdu; Chongqing; Dalian; Hangzhou; Harbin; Kunming; Nanjing; Ningbo; Qingdao; Shenyang; Suzhou; Taiyuan; Tianjin; Wuhan; Xi'an; Xiamen

Tier 3 cities: Other cities in Mainland China

Contributors

SIMON TYE / CEO, MDRI

Simon has over 20 years' experience in consumer insights. He is a specialist in luxury among affluent consumers in Asia. The growing wealth in the Asia-Pacific region has significant impact on all areas of customers' touchpoints. Simon has spent the last few years focusing on customer services, customer engagement, and customer journey. He has also provided insights to clients on innovative services and engagement to drive sustainable business growth.

JACKY POON / SENIOR INSIGHT ANALYST, MDRI

With 6 years of experience in consumer insights, Jacky has worked on a variety of projects, including measuring customer satisfaction, exploring and understanding markets, and testing new concepts. Jacky is highly knowledgeable in utilising both quantitative and qualitative research methodologies to collect data, and in leveraging insights from the data to inform strategic decision-making for clients.

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Based in Hong Kong and with operations in London and Singapore, MDRI is a leading provider of business insights, empowering organizations with data-driven advice to make informed decisions and drive growth.

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Earlier this year, the Group announced its first strategic acquisition in the alternative legal services market, flexible legal resourcing business Flex Legal. It also acquired a majority stake in Somos, a global group actions management business.

